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NEWS SUMMARY

GENERAL

Carter booed by Miami blacks

A crowd booed President Jimmy Carter and hurled bottles at his motorcade when he toured Liberty City, the black area of Miami hit by race riots which killed 16 people.

The President met community leaders, and promised that the Federal Government would meet them half way in rebuilding the city.

But he said Miamians were making "a very serious mistake" if they thought the Government would pay the full $100m bill for the damage. Page 3

Cossiga boost

The Christian Democratic Party of Premier Cossiga increased its share of the vote by 1.5 per cent in the Italian regional elections. The Socialists also made gains while the Communists suffered losses. Page 2.

Olympics call

The Government has launched a fresh campaign to discourage British athletes from going to the Moscow Olympics. But the British Olympic Association said it will still go. Page 6

Iranians executed

Sixteen Iranians were executed in Tehran, bringing the total executions in the past three *weeks to 127.* Page 4.

Local initiative

Environment Secretary Michael Heseltine launched a Government initiative to encourage commerce and industry to participate more in central and local government decision making. Back Page.

Crash statement

The Dan-Air Boeing 727 which *crashed in Tenerife killing 146*—mainly Manchester holidaymakers—turned the wrong way and hit a moutain, Trade Secretary John Nott told the Commons. Page 10

Girls found dead

The naked body of missing schoolgirl Clare Hutchinson, 14, was found in a wood near her home in Farnham, Surrey. A man has been charged with her murder. In South Yorkshire, a murder hunt was launched after the body of a 14-year-old girl was found in a culvert.

EEC plea

Britain and West Germany must work together to bring European Community spending under better control, Chancellor of the Exchequer Sir Geoffrey Howe said in Bonn. Page 2.

Drugs held up

The cost of safety tests is preventing some drugs which could treat rare diseases from going on sale, says the Office of Health Economics. Page 8.

Arts appeal

Arts Minister Norman St. John Stevas announced the formation of a committee to encourage business sponsorship of the arts. He hopes to double the £4m a year now given by industry. Page 21.

W. Indies win

West Indies won the first Cornhill Test against England by two wickets at Trent Bridge.

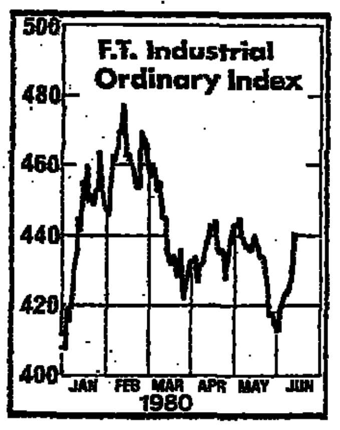
Briefly . . .

Three soldiers were injured when their helicopter creshlanded in a Co. Londonderry, Ulster, forest.

BUSINESS

Equities gains cut; Gilts ease

● **EQUITIES** finished below their best on disappointing banking figures, and the FT 30-share index, up 8.4 at 2 pmp, closed only 5.9 higher at 440.3. Page 38



● **GILTS** eased and the Government Securities index closed 0.05 off at 68.17. Page 38

● **STERLING** fell 1.8 cents to *$2.3330 and its trade-weighted* index was 73.5 (73.9). **DOLLAR** eased to DM 1.7620 (DM 1.7625), but its index rose to 83.2 (83.0). Page 27

● **GOLD** closed $22 down in London at $604. Page 27

● **WALL STREET** was up 4.26 at 864.93 near the close Page 30

● **NEW ORDERS** to West German manufacturing industry were 4.5 per cent lower in April than in March, the biggest fall for almost five years. Back Page; Feature, Page 22; Recession reduces spending plans, Page 3

● **BUILDING** societies could confront a huge shortfall in *funds if interest rates remain at* present levels for much longer, a former Building Societies Association chairman warned. Page 7

● **BRITISH RAIL** is to ask the Government in the next few days for permission to spend £150m on 60 advanced passenger trains. Page 6

● **ASLEF**, the train drivers' union, is unlikely to agree to key points in British Rail's productivity proposals put forward after the recent 20 per cent pay deal, the union's president said. Page 7

● **FORD MOTOR** is heading for trouble in its negotiations with manual workers on the introduction of shorter hours, an engineering union leader warned. Back Page

● **YORKSHIRE** miners' leader Arthur Scargill began his campaign to capture the presidency of the National Union of Mineworkers for the Left. Back Page

COMPANIES

● **GRAND METROPOLITAN** raised first-half pre-tax profits by £10.5m to £61.2m on sales up from £992.9m to £1.15bn. Page 26 and Lex, Back Page

● **ALLIED BREWERIES**, recovered from the Warrington brewery strike to finish the year with pre-tax profits up from an annualised £112.4m to £113.1m on sales of £2.2bn (£2.13bn). Page 24 and Lex, Back Page

● **ENNIA**, the Dutch insurance group, placed about 200,000 new shares in the UK in a move *likely to be followed soon by* other Dutch insurers. Back Page

● **OVERSEAS CONTAINERS**, Britain's biggest container shipping group, is paying £27m for Furness Withy's 15.81 per cent stake in the concern. Page 25

● **CARLESS**, Capel and Leonard, the oil exploration and refinery group, is making a one-for-four rights issue to raise £9.5m. Page 26

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Akroyd & Smithers	263	+ 13
Allied Breweries	81	+ 2½
BAT Inds.	250	+ 7
Gerrard & National	245	+ 7
Grand Metropolitan	142	+ 3
Gt. Portland Estates	238	+ 9
GUS A	402	+ 6
Hawker Siddeley	180	+ 4
Hill (C.) (Bristol)	58	+ 8
ICI	364	+ 4
Inchcape	373	+ 11
Ladbroke	164	+ 4
MK Elec.	174	+ 13
Northern Foods	130	+ 4
Rank Org.	196	+ 4
Samuel (H.)	138	+ 6
Somportex	170	+ 15
Stnd. Tlphn. Cables	313	+ 15
Union Discount	445	+ 10
Utd. Scientific	514	+ 14
BP	370	+ 6
IC Gas	864	+ 14
Silkolene	165	+ 7
Anglo Dominion	168	+ 23
Ayer Hitam	285	+ 15
Tronoh Mines	285	+ 25
FALLS		
Excheq. 11¾pc '84	£92¼	− $\frac{7}{16}$
Empire Stores	130	− 6
Spear (J. W.)	133	− 7
Carless Capel	131	− 5
Bougainville	122	− 10
Durban Deep	£12¾	− 1½
East Rand Prop.	£12⅞	− 1¼
Gld. Mn. Kalgoorlie	344	− 20
Loraine	304	− 23
Otter Exploration	84	− 12
Poseidon	176	− 19
Sth. African Land	342	− 28
Spargos Exploration	25	− 5
Venterspost	706	− 38

Faster monetary growth likely to delay MLR cut

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The long-awaited cut in Minimum Lending Rate is unlikely for at least another few weeks after an acceleration in the rate of monetary growth last month. The acceleration is possibly temporary.

Banking figures published by *the Bank of England yesterday* suggest that sterling M3, the broadly defined money supply, may have risen by about 2 per cent in the month to mid-May, compared with a 0.3 per cent increase in April.

This would mean that the increase since the start of the current target period in February, as well as since June 1979, would be about 11¼ per cent at an annual rate. This compares with a target increase of 7 to 11 per cent.

The official response was more cautious than usual. This reflects the finely balanced debate within Whitehall and the Bank about MLR, as well as *considerable uncertainty* about the exact trends of public sector borrowing and bank lending to the private sector ahead of the detailed money supply figures due out on Thursday week.

Most officials believe there is not yet an obvious or strong case for an immediate cut in MLR.

Hopes of a move this week or next always seemed remote, but built up since the end of last week.

Yesterday's figures led to disappointment in the City. Early gains of up to £¾ in longer-dated gilt-edged stocks were wiped out by the close. The 1994 tap stock finished around its issue price of £40, after small sales at £¼ higher.

The majority City view is still that hopes of lower interest rates have only been deferred for a short time, possibly until next month.

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Editorial Comment, Page 22.
Lex, Back Page

The main reason for the acceleration in monetary growth was a turnround in the public sector's financial position, reflected in the big increase in the central Government borrowing requirement announced yesterday.

Public spending has risen sharply. Funding of this borrowing through sales of gilt-edged stock was much smaller in May than in previous months.

The increase in bank lending to the private sector was undoubtedly much smaller than the record £1.55bn rise in April. The London clearing banks yesterday announced a £518m rise in advances to the private sector last month, implying an underlying rate of £200m to £250m after seasonal adjustment.

But there may have been some switching of company borrowing from bank overdrafts to other sources because of interest rates. There also appears to have been a resurgence of lending via commercial bills.

Consequently, there is officially reckoned to be insufficient evidence to suggest any change

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CBI RENEWS ACTION DEMAND

THE GOVERNMENT yesterday faced further insistent demands for action to ease the pressures on industry, writes Philip Rawstorne.

Sir John Greenborough, *CBI deputy president, told the* Tory backbench Industry Committee at the Commons that interest rates should be reduced as soon as possible.

Monetary discipline should not be applied more rigidly than necessary, despite the up-*turn in the money supply* figures.

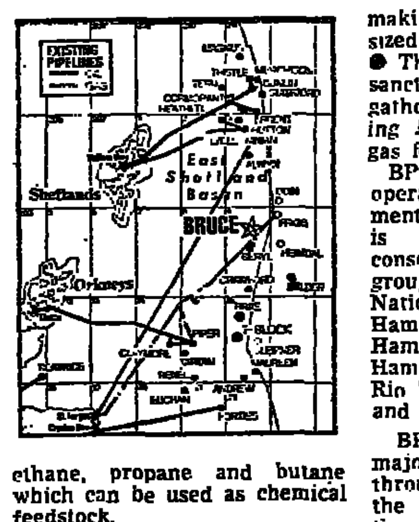
Hamilton and BP to start Bruce gas field drilling

BY RAY DAFTER, ENERGY EDITOR

HAMILTON BROTHERS and British Petroleum are about to start a North Sea drilling programme that seems likely to lead to the $1bn development of the Bruce gas field.

The companies and their partners in blocks 9/8 and 9/9 are to evaluate the geological formation in which gas and gas liquids were discovered six years ago. It is expected that several wells will be drilled on the Bruce complex. If these are successful, development could begin to allow gas to flow in 1984 or 1985.

Hamilton Brothers, as operator for block 9/8, believes *that the field could contain* at least 1 trillion (million, million) cubic feet of gas reserves. Unofficial industry estimates suggest that if the drilling programme is successful reserves of 3-4 trillion cubic feet might be proved. In addition, Bruce is thought to contain between 150m and 250m barrels of gas liquids — products such as



ethane, propane and butane which can be used as chemical feedstock.

Two factors have combined to make the commercial exploitation of Bruce much more *likely than in the recent past:*

● Natural gas prices are rising in line with those for crude oil, making small- and medium-sized fields look more attractive.

● The Government is about to sanction construction of a gas gathering pipeline system, *costing £1bn to £1.5bn, to collect* gas from some northerly fields.

BP will probably act as operator for any field development programme. The company is the operator for the consortium in block 9/9. This group comprises: BP, British National Oil Corporation, Hamilton Brothers Oil, Hamilton Brothers Petroleum, Hamilton Brothers Exploration, Rio Tinto-Zinc, Blackfriars Oil, and Trans-European.

BP is also earning itself a major stake in block 9/8 through a deal which involves the company paying a proportion of drilling costs. This group comprises: Hamilton Brothers Oil, Hamilton Brothers Petroleum, Hamilton Brothers Exploration, Rio Tinto-Zinc, Blackfriars Oil, Trans European, and BP.

UK wins Nigerian mill orders

BY LORNE BARLING

BRITISH companies have won a major share of the contracts for equipment and services for a *£200m Nigerian pulp and news*print mill, to be built over the next 16 months under the supervision of Foster Wheeler World Services, the UK subsidiary of the U.S. Foster Wheeler Corporation.

Contracts worth more than £100m have been placed with British companies. Black Clawson will provide two newsprint machines and associated plant worth about £10m. The General Electric Company will provide electrical equipment and Babcock and Wilcox boilers.

The mill, to be built for the Nigerian Newsprint Manufacturing Company (NNMC) at Calabarx, Cross River State, will have an annual capacity of 100,000 tonnes of newsprint, making it one of the biggest in Africa.

Finance is being provided through a $50m (£21.2m) project line of credit and a $50m *syndicated* Eurodollar loan, both arranged by Morgan Grenfell, the former backed by the Export Credits Guarantee Department. It is the largest loan ECGD has backed for Nigeria.

Black Clawson said it was supplying two identical machines, stock preparation equipment and electric drives, which provide two self-contained lines taking pulp made from locally-grown timber.

The main raw material will comfe from thegmelina arborea, a tropical hardwood, to he used for the first time to produce newsprint commercially. It has been successfully developed since 1960 in the Cross River State by the Nigerian Forestry Commission. The mill itlsef was designed by the UK pulp and paper mill contractors, Parsons and Whittemore Lyddon of Croydon, which has assisted NNMC in placing equipment orders in the UK.

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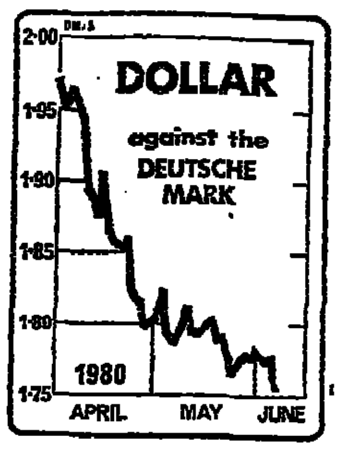

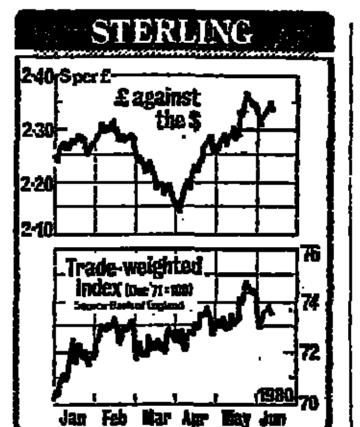

Banks steady sterling sales

BY DAVID MARSH

CENTRAL BANKS intervened to steady the foreign exchanges yesterday as the dollar and sterling came under fairly heavy selling pressure.

Gold fell back by $22 in reaction to its sharp gains on Monday, and closed in *London at $604 an ounce.*

The Bank of England was though to have supported sterling when the pound fell to below $2.32 at one point compared with Monday's $2.351.

The main reason for the drop was the foreign exchange market's expectation of a cut in Minimum Lending Rate. Sterling, however, steadied later after the release of provisional money supply figures indicating that UK interest rates are unlikely to be reduced in the near future. It nevertheless finished 1.80 cents lower at $2.3330. Its trade-weighted index closed at 73.5 (73.9).

The dollar fell against most Continental currencies and the yen after a further decline in U.S. interest rates. The New York Federal Reserve Bank, with the Bundesbank and the Bank of Japan, bought dollars to support the currency, and helped it to steady during the afternoon in London.

The dollar closed at DM 1.7620, down only slightly from its overnight value of DM 1.7625, after earlier falling beneath DM 1.76 to its lowest level since mid-February. Against the yen, the dollar eased to Y215.80 from Y216.40.

The main depressant on the dollar was the heavy fall in U.S. Treasury bill rates at Monday's auction, where rates for three-month bills averaged 6.5 per cent against slightly more than 8 per cent in the previous week.

The Fed funds rate in New York dropped as low as 8.5 per cent once yesterday, compared with levels of more than 9 per cent on Monday.

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Government borrows a record £2.25bn

BY DAVID MARSH

CENTRAL GOVERNMENT borrowing rose sharply last month to a record £2.25bn, mainly as a result of large increases in public spending and of flat tax revenues.

In the first two months of the financial year, the rate of spending rises has been running well ahead of the forecasts for the year as a whole, set out in the March Budget, partly because of the increased public-sector wage bill.

Whitehall officials say, however, that the growth of expenditure, which is usually erratic in the first few months of the financial year, may ease later. It is too early to judge whether the central Government borrowing target of £9.31bn for the 1980-81 financial year is in danger of being exceeded.

Last month's central Government borrowing requirement compares with £926m in April and £1.54bn in May, 1979, according to provisional

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£ in New York

—	June 9	Previous
Spot	$2.3440-3455	$2.3365-3370
1 month.	1.53-1.48 dis.	1.53-1.47 dis.
3 months	4.10-4.00 dis.	3.98-3.88 dis.
12 months	9.30-9.20 dis.	9.35-9.15 dis.

OPEC 'near to deal' on oil prices

By Richard Johns in Algiers

THE ORGANISATION of Petroleum Exporting Countries (OPEC) was last night locked in intensive talks on a face-saving compromise which would effectively raise the price of Saudi Arabian crude by $4 a barrel by early next year.

Saudi Arabia, the world's biggest oil exporter, last night seemed poised to make important concessions after a lightning trip from Algiers to Rabat by Sheikh Ahmed Zaki Yamani, the Saudi Oil Minister, for urgent consultations with King Khaled.

Earlier in the day Mr. Belkacem Nabi, the Algerian Oil Minister, gave an assurance that Saudi Arabia would accept an immediate increase of $4 a barrel from its present basic reference price of $28.

This was immediately denied by Sheikh Yamani, who described it as "wishful thinking."

The compromise being worked *on last night revolved around a* formula under which the kingdom would raise its price to $32 in three equal stages beginning on July 1. The other producers would agree to freeze their own prices while Saudi Arabia catches up.

The North African producers and Nigeria are currently selling their lighter, better quality oil at between $36-$37 a barrel. The Saudis are insisting that the differential between their own basic reference price and the higher priced crudes should not be more than $2 a barrel.

If the hawks in OPEC refuse to lower their prices to meet the Saudis half-way (which seems likely), the price of Saudi crude would have to go *up to $34-$35 a barrel by early* next year if prices are to be realigned.

Mr. Ali Akhbar Moinfar, the Iranian Oil Minister, last night claimed that the oil ministers had agreed to raise the basic reference price to $32 a barrel, leaving timing to individual countries.

If the compromise formula beig worked out last night is carried through, the second of the three increases in the price of Saudi crude would take place on October 1 following the joint conference of OPEC foreign finance and oil ministers planned for late summer.

The hope is that, by then, agreement will be reached on OPEC's long-term strategy report and its recommendations on the organisation's pricing policy.

Under the present proposals

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Italian regions endorse Cossiga coalition

BY RUPERT CORNWELL IN ROME

THE ITALIAN government coalition headed by Sig. Francesco Cossiga has emerged well from the regional elections, with strong performances by all its three parties, and particularly the Socialists.

With counting complete in the voting for the assemblies of the 15 normal-status regions, the Christian Democrats had boosted their share of the poll to 36.8 per cent from 35.3 per cent at the previous elections of 1975, while the Socialists had gone up from 12 per cent to 12.7 per cent. The Communists slipped back to 31.5 per cent from 33.4 per cent five years ago.

The Christian Democrats gained 13 seats and the Socialists four, while the Communists lost 14. The precise effect on the political composition of various regional administrations will only be settled by complicated bargaining.

In three out of the six "red regions," which had Communist-dominated councils up to the elections, the Communists have lost their absolute left-wing majority. In two of these, Piedmont and Liguria, the Communists may succeed in retaining power.

But in the Lazio region around Rome, a swing to the Christian Democrats has left it the largest party and probably opened the way for a centre-left regional administration, with the Communists in opposition.

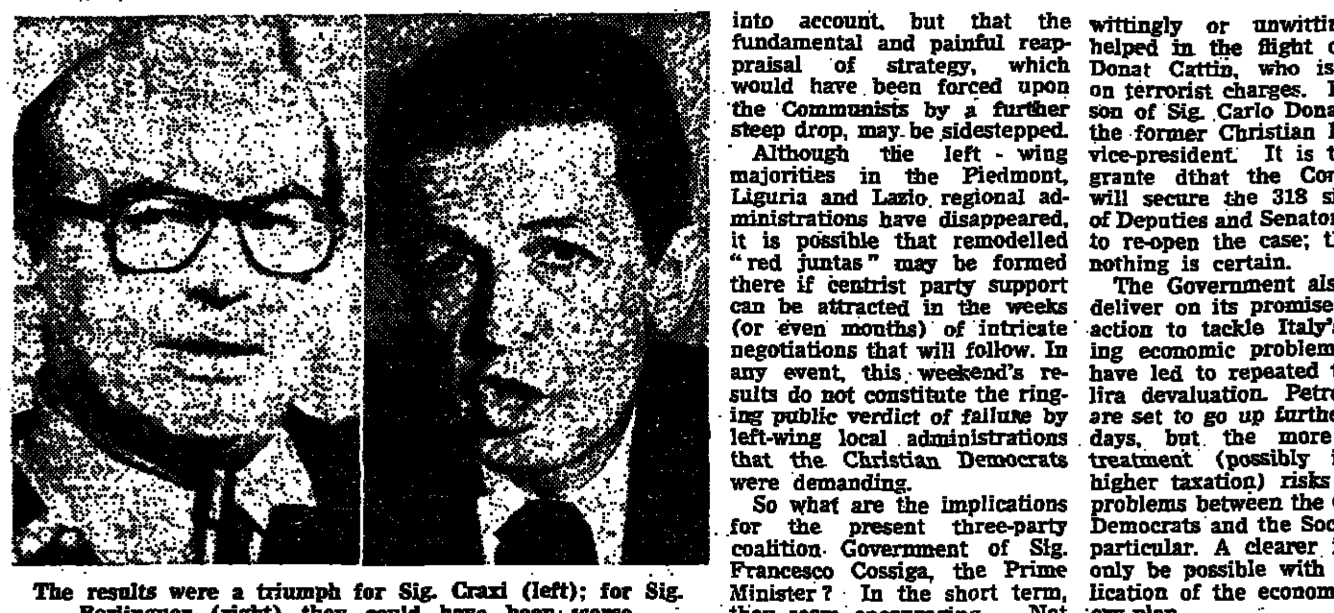
The broad movement away from the Communists has been confirmed by the results of the voting for the country's 86 provincial assemblies, completed last night, with five-sixths of the count completed, the Christian Democrats had advanced 1.6 per cent to 36.4 per cent, while the Communists dropped by 2.3 per cent to 30.3 per cent.

The Italian Prime Minister will now embark on the important meetings in Venice this month on a stronger footing than before, and have greater authority to tackle the country's mounting economic difficulties.

But he remains haunted by allegations that he tipped off Sig. Carlo Donat Cattin, the Christian Democrat former vice-president, that police were searching for his son, Marco, a wanted terrorist. Collection of the 318 signatures of deputies and senators required for the case to be reopened before parliament begins tomorrow. There is little doubt that the Communists, who have mounted the campaign against Sig Cossiga, will attract the backers they require.

All sides claim election success

BY RUPERT CORNWELL IN ROME



The results were a triumph for Sig. Craxi (left); for Sig. Berlinguer (right) they could have been worse.

THE ITALIAN regional and local elections of last weekend will go down as the poll which everybody won. The results have been interpreted in as many contradictory fashions as there are political parties. A vote whose importance to national politics was emphasised ceaselessly before the event has amounted to a resounding confirmation of the political status quo.

As a result, the election outcome is unlikely to break the stalemate in Italian political life. But it underlines again, if any further proof were needed, the paradox of Italian politics: while governments may be inherently unstable, the electorate itself is remarkably stable. In the meantime, every party is proclaiming satisfaction and trumpeting victory.

For the Christian Democrats, there is much to cheer. With 36.8 per cent of the vote, the ruling party has advanced significantly from the 35.3 per cent it won at the last regional elections in 1975 which carried the Communists to within a whisker of becoming the country's largest party. At the same time, the less accommodating line of the new party leadership towards the Communists, which emerged at the Christian Democrat congress in March, has won at least a cautious endorsement from the electorate, and, with it, the present government formula allying the party with the Republicans and the Socialists.

For the Socialists, triumph is even more clearcut. Their share of the vote, at 12.7 per cent, is higher than in any nationwide election since 1963. True, the figure might have been swollen artificially by the deliberate choice of the left-wing Radical party not to take part in the elections. Many of its supporters almost certainly opted for the Socialists instead.

None the less, the outcome can only reinforce the position of Sig. Bettino Craxi, the Socialist party leader, and increase his authority over his ever-mutinous Left wing. It was Sig. Craxi after all who rode roughshod over the sensibilities of the Left to bring the party back into government last April for the first time in six years. A setback now would have given new ammunition to the Left and to the minority "Left" faction of the Christian Democrats, both of which favour a more open line towards the Communists as the only means of tackling Italy's deep-rooted social and economic problems.

In the event, Sig. Craxi has been vindicated, and the threat that his party would withdraw abruptly from government, producing a new crisis, has receded at least for the time being.

At first glance, the combination of these considerations might seem to indicate a bleak election night for Sig. Enrico Berlinguer's Communist party. Compared to 1975, the party dropped 1.9 per cent of the vote. Its share of the poll even edged a fraction further from the 31.8 per cent it won in last June's general election, which saw the seemingly irresistible Communist ascent reversed for the first time in 30 years.

However, the Communists are relieved above all that worse was avoided. These elections have demonstrated that if there is a bedrock of 37 or 38 per cent for the Christian Democrats, one of 30 or 31, per cent exists for the Communists. Not only does it ensure that the party's views have to be taken into account, but that the fundamental and painful reappraisal of strategy, which would have been forced upon the Communists by a further steep drop, may be sidestepped.

Although the left-wing majorities in the Piedmont, Liguria and Lazio regional administrations have disappeared, it is possible that remodelled "red juntas" may be formed there if centrist party support can be attracted in the weeks (or even months) of intricate negotiations that will follow. In any event, this weekend's results do not constitute the ringing public verdict of failure by left-wing local administrations that the Christian Democrats were demanding.

So what are the implications for the present three-party coalition Government of Sig. Francesco Cossiga, the Prime Minister? In the short term, they seem encouraging. Not only the Socialists but the smaller Republican party held its own, despite fears of a reverse. The communists' avowed aim of using the regional elections as a referendum to produce a public vote of no-confidence in Sig. Cosiga has failed. In the medium term, however, a number of question marks remain.

The Socialist advance is likely to see that party demanding a higher price for its co-operation and rekindle Sig. Craxi's ambition to become Italy's first post-war Socialist Prime Minister. The smaller Liberal and Social Democrat parties, both of which fared reasonably well, are also likely to step up their demands to return to government.

More immediately, there is the potential landmine of the threatened "impeachment" hearing before both Houses of Parliament at which Sig. Cossiga would answer allegations that, wittingly or unwittingly, he helped in the flight of Marco Donat Cattin, who is wanted on terrorist charges. He is the son of Sig. Carlo Donat Cattin, the former Christian Democrat vice-president. It is taken for grante dthat the Communists will secure the 318 signatures of Deputies and Senators needed to re-open the case; thereafter nothing is certain.

The Government also has to deliver on its promise of swift action to tackle Italy's mounting economic problems, which have led to repeated talk of a lira devaluation. Petrol prices are set to go up further within days, but the more painful treatment (possibly involving higher taxation) risks creating problems between the Christian Democrats and the Socialists in particular. A clearer idea will only be possible with the publication of the economic recovery plan.

Failure by the Government to act carries with it the wider risk of accentuating the already profound gap between the politicians and the people they are supposed to rule. Signs of this disaffection have recently become alarming. This weekend's 88.5 per cent turnout, although enormous by other Western standards, was the lowest at any major election since the war.

If spoiled and blank ballot papers are included, 17.7 per cent of the electorate did not cast a valid vote. In part, the explanation is a surfeit of voting. No less than five nationwide elections have been held in Italy in the past five years. But if a duty, hitherto so punctiliously carried out, still fails to produce any improvement in the quality of politicians and government, it is no wonder that people begin to ask themselves: "Why bother?"

Plea for Bonn's aid on EEC spending

By Jonathan Carr in Bonn

BRITAIN and West Germany must work together to bring European Community spending under better control, according to Sir Geoffrey Howe, Chancellor of the Exchequer.

Speaking in Bonn yesterday, a day after Chancellor Helmut Schmidt publicly demanded EEC spending reforms, Sir Geoffrey described this as "a major common interest . . . vital to our two countries."

He told the Association of German Chambers of Commerce that even after the recent compromise on the EEC budget issue, Britain would still be contributing more than 600m units of account to Brussels in 1980, and West Germany much more.

There was no point in national Governments struggling to hold down expenditure if they allowed multinational organisations to increase their demands.

Sir Geoffrey thus urged action to reduce EEC farm surpluses while assuring his audience that Britain did not oppose the principle of a common agricultural policy. On the contrary, the British fully recognised the benefits of increased self-sufficiency in food, he said.

The British Chancellor, who is meeting German Ministers and industrialists during his visit to Bonn, appeared to have struck the right note.

Herr Schmidt made clear yesterday that he wa not questioning the existence of the CAP, only the way in which the immutable principles of the policy were being translated into action.

It is recognised in Bonn that any attack on the CAP principles would quickly arouse fierce resitsance, not leat in France. Apparently with this in mind, Sir Geoffrey noted that one CAP principle favoured fod for consumers "at reasonable prices."

Sir Geoffrey said he hoped that Bonn would help Britain in trying to obtain cheaper air fares in Europe. But any Germans who hoped that he might have some new offer to make with respect to North Sea Oil were disappointed.

The Chancellor said there was an exaggerated view of the contribution that North Sea Oil could make. Britain was not obtaining a windfall every time the price went up and Britain's period of oil self-Sufficiency would be "rather short."

Giscard reviews nuclear strategy

By Robert Mauthner in Paris

FRANCE'S choice of nuclear weapons up to the year 2010 and the related problems of defence strategy were discussed yesterday at a defence council presided over by President Valéry Giscard d'Estaing.

Little was expected to be made public about the meeting as the President wants to wait until his Press conference on June 26 to inform the country of his decisions about defence policy. But it is clear that the main debate is between advocates of an exclusively massive nuclear retaliation capacity and those who believe that more emphasis should be placed on tactical nuclear weapons.

The arguments on both sides have been given a public airing recently in successive reports published by the pro-Giscard UDF party and the Gaullist RPR. While the UDF has come out in favour of the development of large numbers of tactical nuclear weapons, including the neutron bomb, the Gaullists have stuck firmly to the orthodox view that only the strengthening of the strategic nuclear missile forces will deter aggressors effectively.

The disagreement between the two parties on the type of weapons which should be developed reflects fundamental differences over the kind of war which France should be planning to fight. The President's supporters believe that France would inevitably become involved in a conflict as soon as Warsaw Pact troops crossed the Elbe.

The Gaullists reject any suggestion that France should fight at the side of member countries of the North Atlantic Treaty Organisation. But, they say, in a limited conflict in Europe it should be made clear to a potential aggressor that, in the event of a direct attack on French territory, he would immediately expose himself to the full force of massive nuclear retaliation.

M. Giscard d'Estaing may well decide to step up the production of tactical nuclear weapons, but observers believe that he will also opt for a strengthening of the nuclear missile-launching submarine force.

Plans are reported to be under consideration for increasing this force from its present strength of five to 10 by the beginning of the next century. The Gaullists are calling for construction of an additional 15 missile-launching submarines.

W. German court endorses use of lock-out

BY ROGER BOYES IN BONN

WEST GERMAN employers are entitled to lock striking workers out during industrial disputes, according to a major ruling yesterday by the country's Federal Labour Court.

The judgment is a considerable disappointment to West German trade unions which had hoped that the court would at least outlaw national lock-outs against selective, local strikes. The unions directly involved in the court case, the IG Druck und Papier printers' union and the IG Metall metal-workers' federation, had argued that national lock-outs gave employers an advantage in wage negotiations. The widespread use of the lock-out, by imposing financial sacrifices on workers, also undermined their constitutional right to strike, they said.

The court found that employers were not justified in using the lock-out in two out of six test cases arising out of 1978 disputes in the print and steel industries. But the court was adamant that the lock-out remains a legitimate device.

The employers had maintained that lock-outs not only were a natural counterpart to strikes but also speeded up the settlement of labour disputes.

The labour court did not go quite as far as the employers would have liked. It stressed that lock-outs should be used sparingly and that the threat should not be used to inhibit workers from using their right to strike.

The trade unions, as Herr Karl-Heinz Janzen of IG Metall's executive board said after the judgment, will now have to rethink their negotiating strategy. The powerful IG Metall has particularly favoured local rather than industry-wide strikes because it is both cheaper and more effective to reduce a small number of plants to a standstill than to fight steel employers as a whole. Thus, in the case being considered by the court, only 3 per cent of the union's 2.8m members were actually on strike. IG Metall paid out some DM 40m (£9.7m) in strike pay but then had to pay an extra DM 87m when employers started to lock workers out in other parts of the country.

The German trade unions are relatively rich and can generally afford costs of this magnitude. But lock-out costs weaken their bargaining position and inhibit industrial action in the next wage round. Lock-outs also create discontent among those workers not directly involved in the dispute. This discontent is sometimes channelled towards the central union leadership

Swedish dock workers call end to strike

By Victor Kayfetz in Stockholm

THE STRIKE which has kept most Swedish ports closed for cargo-handling since May 2 will end tomorrow, the Harbour Workers' Union said yesterday.

Mr. Gunnar Norberg, head of the 2,400-strong union, said it was clearly impossible to win a contract separate from the 45,000-member Transport Workers' union, which also organises some dockers and from which the Harbour Workers' union was excluded several years ago.

The striking dockers are also giving up their attempt to gain a 30 per cent wage increase.

Gloomy forecasts for Norway

BY FAY GJESTER IN OSLO

PESSIMISTIC PREDICTIONS about Norway's economy have come this week from two authoritative sources—the Federation of Industry, and the Norwegian Association of Commercial Banks.

Both foresee a double-digit inflation rate this year. The Association's forecast is 13 per cent, the Federation of Industry's 10 per cent. These compare with the "very tentative" estimate of 9.5 per cent made last month by the Government, when it published its economic forecast for 1980. The official hope is that inflation abroad will be even steeper than in Norway, so that Norwegian goods will become relatively more competitive on foreign markets.

Mr. Sverre Walter Rostoft, managing director of the Commercial Banks Association, does not share this hope. In an interview with Norgest Industri, a magazine published by the Federation of Industry, he said be doubted that Norway would be able to pull its costs—relative to competitors—back to the level of the early 1970s. This was the period before the government began spending oil revenues in advance, in order to maintain employment through the mid 1970s recessio.

Though the spending spree was exchanged, three years ago, for a more cautious strategy (including a price and incomes freeze last year), Norwegian industry's competitiveness has so far been only partially restored.

The Federation of Industry, in its half year report, also stresses the poor profit record of Norwegian industry. It puts much of the blame for this in the Government, which has pursued expansive fiscal policies and spentoil revenues to prop up ailing, unprofitable industries, thereby pushing up costs and immobilising scarce labour that could be better used elsewhere.

Dutch Socialists urge reduced nuclear role

BY CHARLES BATCHELOR IN AMSTERDAM

Mr. Den Uyl: threat of resignation

THE DUTCH Labour Party now believes that the Netherlands should remain a member of NATO, though with a reduced nuclear role, according to the party's draft election manifesto. Labour, which is the largest party in Parliament, is also firmly against any deployment of new medium-range nuclear missiles in Western Europe.

The draft manifesto, which still has to be approved by the party congress early next year, represents a victory for the more moderate wing, led by the parliamentary leader, Mr. Joop Den Uyl. He indicated at the presentation of the manifesto that he would resign if the congress rejected the line taken by the executive committee.

The last party congress had produced a large majority in favour of removing all nuclear weapons from Dutch soil. The new election manifesto calls for a reduction of the Netherlands' nuclear role within NATO and for continued independent efforts to reduce the role of nuclear weapons.

The executive wants the Dutch nuclear role to be reduced to one or two tasks. At present, the Netherlands is assigned six nuclear tasks, including the launching of Nike and Lance missiles armed with nuclear warheads, the laying of nuclear mines and the stationing of fighters and bombers with nuclear capability.

Despite the compromise view reached on nuclear weapons the party has maintained its opposition to NATO's plan to modernise its nuclear missile armoury. The Netherlands has delayed until December 1981 a decision about the stationing of the new missiles on Dutch soil to see whether disarmament talks with the Soviet Union produce results.

The relatively moderate line Labour is taking on defence is thought likely to increase the chance of it reaching agreement with other parties on a coalition government. Despite its strong position in Parliament, Labour is not a member of the governing coalition because it failed to reach a compromise with the Christian Democrats in 1977. Labour has not done particularly well in recent opinion polls but the successes of one of the smaller left-wing parties, Democrats 66, has improved the chances of a return to power of a left-wing coalition

● Anti-nuclear demonstrators yesterday blocked the mouth of Ijmuiden harbour, near Amsterdam, to prevent the sailing of a vessel loaded with low-level radio-active waste. Members of the Greenpeace ecological action group positioned boats in the harbour entrance in a second day of concerted protest against the dumping of the waste in the Atlantic.

Greenpeace and other protest groups appealed yesterday to the Council of State, the supreme Government advisory body, to revoke the licence granted by the Minister of Health, which authorises the operation. Demonstrators also attempted to block roads leading from the nuclear laboratory at Petten, north of the Dutch capital, to prevent lorries loaded with the waste from getting through.

Dissidents jailed in Yugoslavia

By Aleksandar Lebl in Belgrade

EIGHT MEMBERS of the Albanian ethnic group in the autonomous Yuglosiav province of Kosovo have been sentenced to prison terms ranging from three to eight years. They were found guilty of activities directed against Yugoslavia's Socialist self-management system.

The case is one of the few to come to trial since President Tito's death on May 4. Earlier this month a Serbian worker abroad who returned home was sentenced to eight years' prison for activities against Yugoslavia.

In Zagreb a group of Croats has been on trial accused of conspiring against the existing order. Sentence has not yet been passed.

There have been rumours for months about arrests in Kosovo of Albanian irredentists who were in favour of Kosovo merging with neighbouring Albania. Some three-quarters of the province's population are Albanian.

The Albanian embassy in Belgrade denied that Albania had played any role in the affair and said that the timing was unfortunate. This was a reference to the death of President Tito and the Soviet invasion of Afghanistan after which Albania reaffirmed its promise to fight on Yugoslavia's side if it was attacked, in spite of the ideological differences between them.

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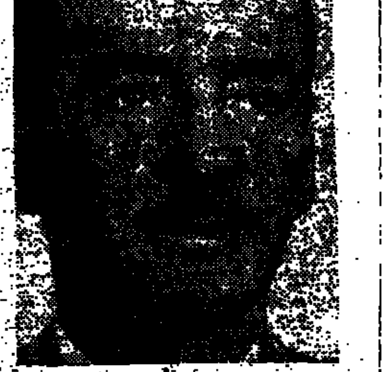
Bolivian army tries to expel U.S. ambassador

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT



Gen. Banzer

AMID INSISTENT rumours of an impending military coup d'état in Bolivia, senior officers, acting in concert with the Bolivian Socialist Phalanx and other Right-wing civilian groups, are stepping up their pressure for the expulsion of Mr. Marvin Weissman, the U.S. ambassador.

Mr. Weissman has been making it clear for several months that his government is opposed to a military coup and he has thrown his influence behind the general elections, scheduled for June 29, which the military want cancelled.

On Monday night Second Army Corps commanders in the conservative minded city of Santa Cruz, in the far south east of Bolivia, declared their forces in a "state of emergency" until Mr. Weissman left the country. The officers demanded at a Press conference that President Lidia Gueiler remained in power for at least another year, pending the "total reorganisation of the country."

The officers made the call after the expiry of the 72-hour ultimatum they gave on Friday for the departure of Mr. Weissman.

Senior officers had also been annoyed at civilian moves to prosecute General Hugo Banzer for alleged offences he committed during his presidency, which ended in 1978. Many military men want General Banzer back as president. Were he to return it would be the 189th coup in Bolivia's 154 years of independent existence.

If there is a coup the COB trade union federation has threatened to call a general strike and to throw up road blocks.

The hand of Right-wing extremists is seen in the aircraft accident a week ago in which several Left of centre politicians died and one, Sr Jaime Paz, was severely injured. The aircraft, which crashed shortly after takeoff, was expected to be carrying Sr Hernan Siles Zuazo, the Left's main presidential hope in this month's elections, but he cancelled his trip at the last moment.

The temper of the armed forces was well reflected by an incident last Saturday when Lt.-Col. Carlos Estrada, commander of the Colorado presidential guard, attempted to force his way into President Gueiler's apartment, armed with a rifle. He was disarmed and arrested by another officer.

Poor start for Canadian talks on constitution

BY ROBERT GIBBENS IN MONTREAL

CANADA'S renewed effort at constitutional reform got off to a poor start yesterday.

A conference attended by Mr. Pierre Trudeau, the Prime Minister, and the ten provincial premiers, agreed on 12 priorities and a target date in early September for decisions on them. But the differences that have prevented reform for more than ten years were as prominent as ever.

● Mr. Rene Levesque, Premier of Quebec, insisted on self-determination for his province. It was his defeat in a referendum on May 20, when he asked Quebec voters for authority to negotiate sovereignty, which caused the rest of Canada to make another attempt at constitutional reform.

● One of the eastern Canadian provinces insisted that it must have jurisdiction over its fisheries.

● Several provinces jibbed at Mr. Trudeau's proposal that minority rights, whether French or English, must be entrenched in any new constitution for Canada.

● Premiers of western provinces, which supply Canada with its domestic supplies of oil and gas, were pre-occupied with a new oil-pricing formula now under negotiation between Ottawa and the main producing province, Alberta.

Mr. Trudeau offered ten principles for constitutional change. They were rejected by the premiers who said they were too oriented to central government.

It has been one of Mr. Trudeau's chief ambitions to give Canada a constitution of its own. At present, the British North America Act of 1867 serves as a constitution. It was passed by the British Parliament and the most sensitive clauses, especially where they concern the division of powers between Ottawa and the Canadian provinces, may be changed only if the federal and provincial governments all concur.

At the last attempt to arrive at a Canadian constitution, in 1971, it was Quebec that used its veto. But other provinces could easily do the same in the future.

David Buchan explains why the people of Liberty City threw bottles at the President when he toured their ghetto

Not good enough, Miami blacks tell empty-handed Carter

FLYING BOTTLES and angry jeers greeted President Jimmy Carter as he toured Liberty City, Miami's main black ghetto and the scene last month of the country's worst race riot for 12 years.

Armed only with a sermon against violence and condolences for the relatives of the 16 people killed and the owners of the $100m worth of property destroyed in the riots, Mr. Carter might not have expected any different a welcome.

He promised that the Federal Government would meet the inhabitants of Liberty City "half way" in rebuilding their community, but made no specific commitments and warned Miamians they were making "a very serious mistake" if they thought the Federal Government would pick up the entire bill for mending the riot damage.

Instead, he stressed that his 1980-81 budget plan had gone far enough in helping the poor and minorities, and that for the moment at least, he was not about to unbalance that budget with new commitments, either to Miami or to alleviate recession-level unemployment, which has pushed the jobless rate for young blacks to an alarming 35 per cent.

For the moment, too, the Federal cupboard is bare, in the sense that the Government's disaster fund is now virtually empty. It will not be re-filled until Congress passes, along with the new budget, a $427m appropriation in new disaster aid. Other disasters, such as the Mount St. Helens eruption, have been given a higher priority.

The Administration has taken some steps outside the economic area to prevent a repeat of the Miami riots. It has dispatched from Washington extra FBI agents and civil rights lawyers to monitor the activities of Miami police and law enforcement authorities, which were the trigger for the riots. The office of Mrs. Janet Reno, the chief prosecuting officer for Miami's surrounding Dade County is being investigated by the Governor of Florida.

The four white policemen acquitted of beating to death Mr. Arthur McDuffie, a black, are now before a federal grand jury. The case of a white Highway patrol officer alleged to have sexually molested an 11-year-old black girl, has been reopened but the officer in question has suddenly gone underground.

But the economic roots of the riots were the focus of Mr. Carter's flying visit to the city on Monday—and so far the only help Washington is offering is low-interest loans and loan guarantees by the small business administration.

"Hail to the chief racist" and "Mr. Peanut Man, we need more than peanuts" were two of the placards held high by blacks demonstrating at the President's motorcade through Liberty City. But while Mr. Carter's strictures on the need for self-help met with angry dismay among the black community, the reaction from the white business establishment was one of resigned expectation and an awareness, from some of its leaders, that the private sector in Miami's generally booming economy is going to have to help to set Liberty City aright.

"We have the ability to do much of this on our own, and we want to do it," claims Mr. Ray Goode, who heads the Greater Miami Chamber of Commerce. Mr. Goode was Dade County manager in the early 1970s, and closely involved in rebuilding after the 1968 riots, which were on a much smaller scale. Then, he says, the Miami business sector was smaller, but happily, Federal aid more available. Now, the situation is reversed.

Last month's rampage did more physical damage to property than any other previous riot in the U.S. (even when adjusted for inflation). Buildings burnt or goods looted totalled $100m, of which $65m was insured. City riots in the 1960s never exceeded $50m individually in damage.

Angry blacks attack Carter in Miami.

Three weeks after the riot, only one local institution, the Capital Bank, which has two branches in the Miami black ghettos—Liberty City and Coconut Grove—has come forward and offered up to $10m for businesses to get started again, mainly to restock after looting. The rest of the banks have so far been hanging back, waiting for the lead from Washington that is now unlikely to come.

Some 3,000 people, mainly blacks, are reckoned to have lost their jobs in the riot areas. A group of locally-based big companies—Eastern Airlines, South East First National Bank of Miami (the city's biggest bank), a couple of big real estate companies, and Southern Bell Telephone—have pledged to speed up their hiring of blacks.

If Miami is spared another outbreak of racial violence, the city will undoubtedly regain its reputation for stability. But some immediate damage has been done. An electronics firm has, for instance, just informed the city that Miami is no longer on its list of possible sites for a $20m plant, with 1,200 jobs.

Tourism, a main prop of the economy, seems to have rebounded from the 20 per cent drop in business in the first week after the riots. Many of the city's big hotels are physically isolated from the main city on Miami beach, where for instance liquor sales were never stopped as they were downtown.

City tourist officials said yesterday that business was back at last year's levels, though Miami's annual average 15 per cent growth in tourism has for the time being been halted. Most important to the city, holidaying Britons have not been deterred.

In conjunction with the Intasun and Cosmos British charter operations, Laker Airways, which opened its Miami to Gatwick service four days after the riots is expected to bring about 300,000 to 350,000 Britons to the city this year, double the number brought last year.

The current strength of sterling against the dollar is making Britain the fastest-growing tourist market for Miami, in its already fast-growing international tourist business.

Miami remains relatively stable compared with Latin America as an investment haven for money from the South, and there are few fears that the May, 1980, riots will affect the city as a growing financial centre. Undiminished by riots, too, is the insalubrious influx of money from the drug trade. The U.S. Congress has recently been holding hearings on this, and a Treasury report estimated that in 1978 alone some $108m was deposited in Miami banks by suspected drug smugglers.

Mr. Goode and his business colleagues would not spurn Federal aid—particularly to help with the re-settling of Cuban and Haitian refugees. "If," he says, "we are going to be the principal port of entry and final destination" of new refugees in the U.S.

So far, too, the state of Florida has been unhelpful. The State legislature has just approved the setting up of a non-profit development corporation to rebuild after the riots, but denied it money by rejecting a 1 cent increase in the Dade County sales tax.

So, the Chamber of Commerce is resigned to trying to do a lot on its own. Mr. Goode says it is now more pressing to launch a previously planned $750,000 promotion campaign to win new investment and provide the area with 166,000 new jobs within five years.

A chamber delegation will again be visiting Britain and Europe this November, trying to get more high technology companies to emulate Rolls-Royce's recent decision to set up a plant in Miami.

One or two businesses in Liberty City are already pulling themselves up by their bootstraps. A furniture manufacturer has his partially destroyed and looted business on its feet again—because a local bank gave him credit, his customers leeway in fulfilling their orders, and his 50 employees two weeks work free of charge. But it will need much more of that local co-operation to set Miami to rights.

Plea to envoy over alert errors

MR. KINGMAN BREWSTER, U.S. Ambassador in London, is to be asked to meet a deputation from the British Labour Party to discuss the three computer malfunctions causing missile alerts

The party's international committee passed an emergency resolution, warning that Britain would be a "sitting duck" in the event of a further mistake leading to conflict. The resolution said that these mistakes had enormously strengthened Labour's case against deployment of U.S. cruise missiles

"In an emergency, and in an atmosphere of high tension, these missiles could be launched on the President's instruction, with time only for the most fragmentary consultation,

Companies cut spending plans as recession bites

BY OUR U.S. EDITOR

AMERICAN companies have further reduced their capital spending plans in the face of the economic recession, the Commerce Department reported

The survey, conducted in late April and May, when the economic downturn had begun to bite appreciably, found that companies planned to invest only 9.9 per cent more this year than last—an increase, after inflation is accounted for, of only about 7 per cent.

In a similar survey undertaken in February and March, companies expected to increase investment by over 11 per cent—more than 7 per cent in real terms—while throughout last year the real increase in spending on plant and equipment amounted to about 6 per cent.

As is only to be expected, the car industry leads the way among those who have scaled down spending plans, along with electrical machinery manufacturers, utilities (though not gas) and producers of non-ferrous metals.

On the other, more bullish side, aircraft manufacturers are projecting a substantial increase in spending, of over 30 per cent, while iron and steel foresees a 25 per cent advance in outlays. Healthy gains are also forecast for the pulp and paper and petroleum sectors.

AP-DJ adds from Washington: The U.S. Agriculture Department says it will soon begin approving financial aid to help farmers build fuel alcohol stills and methane plants.

Mr. Bob Bergland, the Agricultural Secretary, said that the Department of Energy is providing $2.3m in grants.

Canada joins U.S. in car talks

By Victor Mackie in Ottawa

Canadian and U.S. officials will meet on June 27 to discuss the operation of the 15-year-old Canada-U.S. pact on car production, Mr. Herb Gray, the Canadian Industry Minister disclosed yesterday.

Mr. Gray will meet Mr. Reuben Askew, the U.S. trade representative for talks in Washington but the agenda is not expected to be set until just before the meeting. Officials said it would be a high-level discussion.

Aside from expressing Canadian alarm over a C$4.1bn (£1.5bn) trade deficit on cars with the U.S., Mr. Gray is expected to discuss the effect of vehicle imports to North America.

U.S. ELECTION

Front-runners stifle opponents

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

PRESIDENT JIMMY CARTER and Mr. Ronald Reagan yesterday continued to pursue political manoeuvring to strengthen their position as candidates-presumptive of their respective parties.

The President was in Seattle addressing the National Conference of Mayors, having ensured in advance that his rival for the Democratic nomination, Senator Edward Kennedy, should not speak to the same forum on the same day.

Mr. Kennedy, who was due to appear before the Mayors only an hour or so after Mr. Carter had spoken, switched venues and went to Southern California to speak to the Conference of Local Government Unions, who have already endorsed his candidacy.

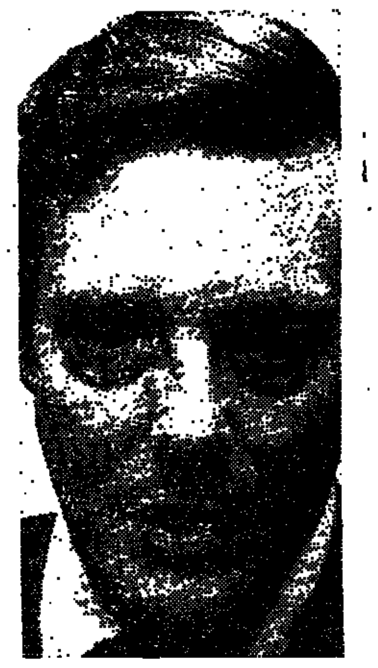
Mayor Richard Carver of Peoria, Illinois, explained that the White House had made it clear that it would be "unacceptable" for the President and the Senator to speak in Seattle on the same day and that the invitation to Mr. Kennedy had therefore been withdrawn, denying him the opportunity of presenting his case.

Meanwhile, it became clear that Mr. Reagan's strategists want to replace former Congressman Bill Brock as the Republican Party's national chairman before, or at the start of, next month's party convention in Detroit.

Only a month ago, Mr. Reagan said he could see no reason to replace Mr. Brock. But his inner circle of advisers believe that Mr. Brock has failed one key test of political acceptability in that he vetoed spending party funds on the conservative drive to prevent ratification of the Panama Canal treaties two years ago.

The Reagan camp also wants to ensure maximum control over the running of the autumn campaign, and feels it is entitled to choose its own party chairman. Mr. Brock recently sent a letter to senior Republicans announcing his intention of seeking re-election to the post at the convention, a move which offended Reagan loyalists.

Mr. Brock is generally considered a moderate and is popular with the party hierarchy. His removal could provoke a battle between the right and centre wings of the party.


Mr. Bill Brock . . . out of favour in the Reagan camp over Panama Canal treaties

Kevin Rafferty, in Port Vila, reports on the dilemma faced by France and Britain in the New Hebrides

Santo's low farce could turn to tragedy

FATHER WALTER LINI, the Chief Minister of the New Hebrides, has presented Mrs. Margaret Thatcher and President Giscard d'Estaing with an awkward choice in asking for troops to put down the rebellion on the island of Espiritu Santo. That the territory stands on the verge of independence and Britain and France, the colonial powers, will be in charge for only another seven weeks makes the choice the *more difficult*.

If they reject his request, they are condoning an armed rebellion against their authority and that of the fledgling elected government in a sensitive area of the world. As one New Hebridean official put it: "It is a rotten leaving present." If the colonial powers do use force, there is a chance that blood may be shed, including that of French nationals who are backing the rebellion.

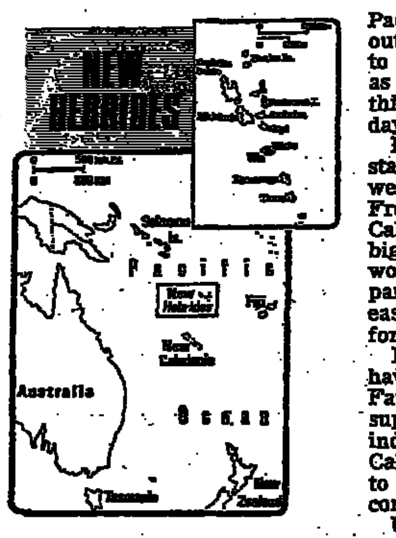
The rebellion is led by Mr. Jimmy Stevens, whose local support comes from a motley gang of disgruntled opportunists like himself. One of Mr. Stevens' own grievances was that under the constitution of the new country he could not be sure of full citizenship rights. This is because he is only half-New Hebridean: his father was half-Tongan and half-British. In offering negotiations last week, Father Lini agreed to give Mr. Stevens full citizenship.

But Mr. Stevens could not manage without money from the Phoenix Foundation, an American organisation financed by a group of businessmen led by Mr. Michael Oliver. For years they have been looking for a suitable haven of their own. They tried in the Caribbean and were turfed out: they tried in Tonga and failed. Now *they have put more than* $1m and a gold coinage into Espiritu Santo.

Nor could Mr. Stevens manage without the active support of French settlers among the island's 16,000 people. Some of these have been landowners for more than a century, but under the new constitution at independence, the land they are working reverts to the "customary," or native, owners.

They are backed by a number of French officials, at least privately. This is what lifts the rebellion, and the rebels with their bows and arrows and penis shields, above the level of low farce.

Behind the primitive weapons and romantic tropical setting are important issues of the rights and duties of colonial powers, of Anglo-French co-operation, and, most important of all, of the ambitions of France in the Pacific.



The New Hebrides has always been difficult to govern largely because it is the world's only condominium with Britain and France as its colonial rulers. It long ago earned the nickname of "pandemonium" because it boasted two sets of rulers, two sets of immigration officials, two sets of stamps, two educational systems and three legal codes to cater for a string of 80 tiny islands and a mere 112,000 people.

Disagreements between the colonial powers grew worse with demands for New Hebridean independence. The British, who had dismantled the bulk of their Pacific empire, wanted to get out quickly. France appeared to want to cling on for as long as possible and agreed only this month to an independence day of July 30.

French hesitation is understandable. Not far to the south west of the New Hebrides is the French colony of New Caledonia, site of one of the biggest nickel mines in the world, run by the French company Societe Le Nickel. To the east lies French *Polynesia*, site for France's nuclear tests.

In addition, the French have noticed the threats of Father Lini and some of his supporters to help build an independence movement in New Caledonia, or to take the French to the UN anti-colonialisation committee.

Until recently, the French were in a strong position. Father Gerard Leymang, the Roman Catholic former Chief Minister, was regarded as their man. But in the election for the post-independence government, the Anglican priest Walter Lini and his Vanuaakuk Party gained nearly two-thirds of the total seats. On Espiritu Santu, officials say in Vila, Father Lini won a majority of the votes. Even today, Mr. Stevens' writ scarcely runs beyond Luganville, the main town of Santo Espiritu. In the rugged coastal villages, which have no road links with the main town, the people are Presbyterian and almost certainly hostile to the rebellion.

Diplomatically, the French have tried to appear correct and yet avoid action. When a rebellion broke out on the island of Tanna, south of Vila, a day before the Santo revolt, M. Jean-Jacques Robert, the French Resident Commissioner, refused to intervene. It was left to the British Resident Commissioner, Andrew Stuart, to send in the 60 British riot police to restrain the 300 rebels, and regain the island.

"The Melanesians do not really want to fight, but they like a show," said one policeman. But in Espiritu Santo, Mr. Stephens has 800 hard-core supporters, *armed with bows*, and some 50-100 white and mixed-race settlers who have firearms. Even with the French riot police, Port Vila could only muster a force of 120; the nearest troops are the French in New Caledonia, but it is doubtful whether Paris would be prepared to use them.

Throughout the rebellion, radio links between the rebels and the French in Vila have remained open and the French institutions on the rebel island have functioned normally. French authorities in Luganville were left untouched while British officials were held hostage. To this Mr. Robert said: "I can hardly tell my men to go and get themselves arrested."

The official line in Vila is to blockade Santo and bring the rebels to heel. But that may take until after Independence Day, especially as British interests claim there have been several flights to Santo from Noumea in New Caledonia.

Yet France faces growing unpopularity, especially in neighbouring Pacific countries. Fiji, Papua-New Guinea and the Solomons all have minorities who could be stirred up too by outsiders. French warnings that action by Father Lini's supporters against Santo would be considered as civil war have not gone down well.

Before *Britain lies the* difficult task of persuading the French to take joint action. The peaceful courses would be to urge France to buy out some of its settlers, possibly by promising aid or to press Father Lini to make some concessions to them. But Father Lini feels he has made too many concessions without return.

If France will not act with Britain to end the rebellion, Mrs. Thatcher has to decide whether to hand over a divided country or to act alone. That might involve firing on French citizens, which could have consequences way beyond the Pacific.

16 executions amid continuing Iran disarray

BY ANDREW WHITLEY IN TEHRAN

SIXTEEN more Iranians were executed in Tehran yesterday, bringing the total to 127 in the three weeks since the latest phase of official blood-letting began. The executions are symptomatic of present uncertainties and coincide with a rising level of unauthorised violence.

The Tehran coroner's office says that in the month to May 21, 141 people died as a result of bullet wounds and another 31 were executed.

The Mujaheddin-e-Khalq, the powerful, radical Moslem group regarded with distaste by Ayatollah Khomeini and the orthodox clergy, is increasingly being singled out for attack. One of its members was killed when Revolutionary Guards stormed the group's south Tehran office on Monday.

Simultaneously, the intensity of political in-fighting between the President, Mr. Abol Hassan Bani-Sadr and the hardline Islamic Republican Party, is increasing. At stake is control over the processes of Govern*ment*.

For the past two days Islamic Republic, the party newspaper, has been laying down the fundamentalists' criteria for the man to be selected as Prime Minister, thus ruling out the possibility of a compromise candidate who could lead a coalition Cabinet.

The party argues that the Prime Minister, as Iran's chief executive, should be "affiliated to a specific thinking group" (such as itself), should not be Western-educated or Europeanised and would have to accept fully the political leadership of the clergy.

Despite constant feuding, the newly elected Parliament has now approved the qualifications of over 180 of its members, providing a quorum for its work, which is expected to begin tomorrow.

No agreement has been reached on who is likely to be nominated by Mr. Bani-Sadr to the premiership. A poll of deputies published yesterday showed support for names such as Mr. Hassan Ayat, the IRP's presidential candidate, and Hojatulislam Hashemi-Rafsanjani, an IRP leader and Revolutionary Council member.

Meanwhile the President has been fighting back against opponents he describes as "*opportunists*." These men, he said in a recent interview, are a greater danger to the revolution than left-wingers. Mr. Bani-Sadr threatened to use his constitutional power to control his opponents by putting them on trial.

Fund-raising bar on black unions

By Quentin Peel in Cape Town

THE South African Government has forbidden the Federation of South African Trade Unions, the country's leading association of independent black and multi-racial unions, to raise *funds* outside the country.

A notice in the Government Gazette, may also prevent the organisation from collecting money inside South Africa, and therefore effectively destroy it, union organisers say.

The Government move follows the detention of labour organisers, after a spate of labour disputes involving lower-paid black workers in the food and textile industries. It also comes just before publication of the latest report from the Wiehahn Commission of Inquiry which last year recommended freedom of association for black as well as white workers, and the registration of black trade unions.

The Federation represents 12 unions. It was founded two years ago to provide legal and technical advice to member unions, the strongest of which are in the engineering, textile and motor industries.

Mr. Louis Le Grange, Minister of Police, yesterday gave warning that he would take action against anyone trying to organise a general strike to *coincide with* the anniversary on June 16 of the outbreak of the Soweto riots in 1976.

His warning came as the national boycott of classes by black, coloured and Indian school and university students continued and tens of thousands of black and coloured workers boycotted buses in protest at a fare increase.

Pamphlets calling for the June 16 protest have been distributed in Cape townships and police and community workers believe there could be attempts at demonstrations to commemorate the occasion.

Palestinians use bases in Jordan

By Ihsan Hijazi in Beirut

PALESTINIAN guerrillas have established bases in Jordan from which they intend to mount military operations against Israel, according to Palestinians in Beirut. The bases do not have the approval of the Jordanian authorities.

Guerrillas who clashed with Israeli troops on Saturday near the border with Jordan had come from such a base, the Palestinians said. Two guerrillas were killed and two wounded and, for the first time since 1970, Israeli forces crossed the border into Jordan in pursuit of the attackers.

It was in that year that King Hussein's army suppressed the guerrillas who were later expelled from his country. Lebanon has ever since been the main base of operations for the commandos and for the Palestine Liberation Organisation.

Although a working relationship has been in existence between Jordan and the PLO since King Hussein recognised the group as the sole legitimate representative of the Palestinians in 1974, guerrilla demands that they be allowed to operate out of Jordanian territory have been rejected.

The Palestinians disclosed that the mainstream guerrilla group, Al-Fatah, took a decision to re-establish bases in Jordan at its congress in Damascus last month.

James Buxton adds: An EEC initiative on the Middle East will not get anywhere if the Community comes out publicly in favour of self-determination *for* the Palestinians and makes a positive reference to the Palestine Liberation Organisation, Mr. Shlomo Argov, Israeli Ambassador to Britain said yesterday.

He said any such declaration would weaken the EEC as an objective impartial force in the Middle East.

Dominant Soviet role in Afghan economy

BY DAVID SATTER IN MOSCOW

SOVIET-ASSISTED enterprises in Afghanistan were responsible last year for more than 35 per cent of the value of Afghanistan's industrial output, according to the Soviet journal, Foreign Trade.

In a description of the Soviet role in the Afghan economy, the journal said that in 1979, production rose in such Soviet-assisted projects as the Shibarghan gas fields, the nitrogenous fertiliser plant in Mazar-i-Sharif and the housing construction complex and bakery and motor repair works in Kabul.

The output in these and other Soviet-assisted projects had a value of more than £65m, which was 35 per cent of a total Afghan industrial product, valued at *approximately* £180m and 60 per cent of all production in Afghanistan's state sector.

The journal said that Soviet-built power stations, which account for half Afghanistan's generating capacity, produced 450m kWh in 1979.

More than 1,500 km of the 2,600 km *of* motorways in Afghanistan were constructed with Soviet assistance. Deliveries of tractors, combines and lorries for Afghanistan's newly established collective farms began late last year under a new agreement which was signed in August, 1979.

Foreign Trade said that there are almost 130 Soviet-assisted projects either complete or under construction in Afghanistan. The Jarkuduk gas field was commissioned this year and work began on an auxiliary compressor station on the Khwaga-Gogerdag oilfield and on a new section of the trunk gas pipeline.

The Soviet Union is Afghanistan's largest trading partner and the two countries have agreed to increase trade by 70 per cent this year which should bring trade for the year to about £369m.

The journal said that shipments to the Soviet Union of Afghan natural gas, which this year are to reach 2.5bn cubic metres, now account for about 20 per cent of Afghan export earnings.

● The Communist Party newspaper, Pravda, yesterday accused the U.S. of organising Afghan insurgent activity and said that Washington had ignored opportunities for a political solution.

A political solution to the conflict was "entirely possible," Pravda said, but the U.S., in the pursuit of its "selfish goals," did not want a "softening but rather a sharpening of the existing situation."

China to produce casings for Japan watch group

BY RICHARD C. HANSON IN TOKYO

THE SEIKO Watch group has reached agreement with China to assist in developing two factories to produce stainless steel watch cases which will be purchased by Seiko.

K. Hattori and Co., the sales arm of the Seiko group, Japan's biggest watchmaker, said the Chinese plan to provide 8m stainless cases over the next five years. The two plants will be located in Peking and Xi'an, Shaanxi province, using Seiko technology and machine tools.

K. Hattori last year signed a memorandum with the Chinese Light Industries Ministry agreeing to co-operate in developing the watch industry. Watch case production will be the first step in carrying out that understanding. Eventually, the Chinese may assemble whole watches with Seiko's assistance.

From Seiko's point of view, China could become a useful additional source of watch cases, which tend to be in short supply throughout the industry. The cost of Chinese cases is expected to be below those produced in other more advanced *countries because of low wages.* Seiko will have to provide extensive guidance, however, to assure quality levels suitable for use in Japan.

Production is expected to start up this fall. Seiko has no plans to provide capital or form a joint venture with the Chinese.

China seeks Swiss help

BY BRIJ KHINDARIA IN GENEVA

CHINA HAS asked Switzerland *for help to develop its chemical products, machine and precision* tools and watchmaking industries.

The appeal was made by a Chinese trade delegation led by Mr. An Dong, a Foreign Trade Ministry official, at the fourth session of talks here of a *Chinese-Swiss joint* economic commission. After the talks end on June 11 the Chinese will visit various Swiss companies.

Although Swiss trade with China is small, Switzerland is keenly interested in winning *contracts to build factories in China or to modernise old ones.*

The Swiss are not as wide-eyed about investment opportunities in China as the Americans or the French, but are keen to promote exports of manufactured goods

The annual value of Swiss *imports* from China stood at SwFr 90m (£23m) between 1976 and 1979. Chinese imports from Switzerland rose from SwFr 130m in 1976 to SwFr 197m in 1979.

Peking seeks price rise for Tokyo oil shipments

OKYO — China has told Japanese importers it wants to raise the cost of its crude oil shipments to Japan by $1.50 a barrel, retroactive to May 16, importers here said.

The increase, which China said reflected rises in world market prices, would boost the cost of Chinese shipments to Japan to $34.625 a barrel, they added.

The importers said they would start price negotiations soon with China, which has agreed to ship 55m barrels of crude to Japan during the fiscal year which started last April.

In fiscal 1979, Japan imported 59m barrels of Chinese crude, or just over three per cent of its total needs.

Meanwhile, in Peking China yesterday atacked one of the basic tenets of Maoist economics—that each region must develop its own complete industrial system so as to be self-sufficient in the event of war.

The official People's Daily said that each province should be allowed to develop whatever it can do best, according to local conditions.

"The old notion that every province and region should strive to build an independent economic system for itself must be done away with," it said.

Valuable resources had been wasted by some provinces which tried, for example, to build an iron and steel industry even though the raw materials had to be shipped in from far away, it added.

No mention was made of Chairman Mao, although the criticism was clearly aimed at his policies in the last two decades before his death in 1976. Reuter

BASE LENDING RATES

A.B.N. Bank	17 %	■ Guinness Mahon	17 %
Allied Irish Bank	17 %	■ Hambros Bank	17 %
American Express Bk.	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
Henry Ansbacher	17 %	Hongkong & Shanghai	17 %
A P Bank Ltd.	17 %	Industrial Bk. of Scot.	17½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	19 %
Banco de Bilbao	17 %	Langris Trust Ltd	17 %
Bank of Credit & Cmce.	17 %	Lloyds Bank	17 %
Bank of Cyprus	17 %	Edward Manson & Co.	18 %
Bank of N.S.W.	17 %	Midland Bank	17 %
Banque Belge Ltd.	17 %	■ Samuel Montagu	17 %
Banque du Rhone et de la Tamise S.A.	17½%	■ Morgan Grenfell	17 %
Barclays Bank	17 %	National Westminster	17 %
Bremar Holdings Ltd.	18 %	Norwich General Trust	17 %
Brit. Bank of Mid. East	17 %	P. S. Refson & Co.	17 %
■ Brown Shipley	17 %	Rossminster	17 %
Canada Perm't Trust	18 %	Ryl. Bk. Canada (Ldn.)	17 %
Cayzer Ltd.	17 %	Schlesinger Limited	17 %
Cedar Holdings	17 %	E. S. Schwab	17 %
■ Charterhouse Japhet	17 %	Security Tst. Co. Ltd.	18 %
Choulartons	17 %	Standard Chartered	17 %
C. E. Coates	17 %	Trade Dev. Bank	17 %
Consolidated Credits	17 %	Trustee Savings Bank	17 %
Co-operative Bank	*17 %	Twentieth Century Bk.	17 %
Corinthian Secs.	17 %	United Bank of Kuwait	17 %
The Cyprus Popular Bk.	17 %	Whiteaway Laidlaw	17½%
Duncan Lawrie	17 %	Williams & Glyn's	17 %
Eagil Trust	17 %	Winstrust Secs. Ltd.	17 %
E. T. Trust Limited	17 %	Yorkshire Bank	17 %
First Nat. Fin. Corp.	19½%		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	17 %		
Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15½%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15½% and over £25,000 15¾%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

Tough road for UK trade with Bulgaria

By Stephanie Gray

THE NUMBER of changes in Bulgarian economic legislation could cause confusion among Western concerns and leave British companies faring even worse than they already *do against counterparts* in other Common Market countries.

A recent trade mission to Bulgaria, organised by the London Chamber of Commerce and Industry, found that the country's New Economic Mechanism strategy, in force since January, seems already to have brought about a marked change in relationships between the Bulgarian producer and the buyer.

Under the strategy, planning guidelines have been reduced, profit plays a more important role than before and, in theory, foreign trading corporations are no longer in charge of principals. The legislation means foreign investors will have to forge closer ties with producers and implies a sharp shift toward the Hungarian system.

It remains unclear how another, more recent, piece of legislation—the March decree on "joint associations"—will be followed in practice. But the policy, which theoretically allows a foreign partner up to 100 per cent equity in a venture, is obviously tied to the priority being given to exploitation of Bulgaria's coal resources, non-ferrous metals and minerals.

Mr. Robert Anthony of the London Chamber's East European section said there were also indications of a strong push for joint ventures in some manufacturing industries. In the long term, Bulgaria's close links with the Soviet Union could offer Western partners the advantage of access to a major market, he said.

However, Britain's chances in this respect were slim. Few UK companies were on Bulgaria's lists of possible Western partners, indicating that they were not seen by the Bulgarians to be "playing the game" properly.

Apart from the relatively strong *performance* of companies like ICI, Shell and Cadbury Schweppes, Britain's insignificant position in Bulgaria is underlined by comparison of its trading figures with those of West Germany, France, Austria and the U.S.

Last year British exports to Bulgaria were $58m (£25m) compared with $51m the year before. West Germany's exports rose to $396m from $358m, the French last year exported $142m ($94m) to Bulgaria, Austria $95m ($62m) and the U.S. $56m ($48m).

Bulgarian exports to the UK fell to $26m from $29m. Exports to West Germany rose to $194m from $158m; to France they rose to $142m ($94m); to Austria to $95m ($62m) and to the U.S. $56m from $48m.

Swiss report record steel exports

By John Wicks in Zurich

SWISS steelworks report growing exports of concrete reinforcement steel, which last year reached a record 164,000 tonnes. This volume, equal to 28 per cent of total production, is accounted for largely by sales to neighbouring areas of federal Germany.

The overall Swiss steel industry, whose sales rose by 20 per cent to more than SwFr 730m (£187m) last year, views prospects for 1980 exports as "favourable," according to a study prepared by Union Bank of Switzerland, as long as there are no marked alternations in exchanger rates.

E. Germany, Mexico in trade pact

BY LESLIE COLITT IN BERLIN

EAST GERMANY and Mexico have entered a trade protocol which envisages a fourfold expansion of trade to about $250m (£106m) a year by 1983 only weeks after the visit of Sr. Jose Lopez Portillo, Mexico's President, to West Germany. The two countries have also signed framework *agreements on economic* and industrial co-operation.

A declaration of intent to expand economic co-operation was signed by Herr Gunter Mittag, East Germany's top economics official, and Sr. Jorges Castaneda, Mexican Foreign Minister, at the end of a five-day visit by an East German economic, trade and cultural delegation to Mexico.

Both sides said they intend to co-operate in telecommunications, metalworking and chemicals industries, the technology of direct-reduction sponge iron and the construction of fishing vessels.

Mexico and East Germany said they want to establish joint production and trading companies and to co-operate in third markets. A report in the West Germany Press that East Germany is to receive cars from the Volkswagen factory in Mexico in return for deliveries of cranes is denied by VW headquarters in Wolfsburg.

Oil is not mentioned in the East German - Mexican accords.

The East German news agency reports that agreement has been reached on financing the industrial projects East Germany will undertake in Mexico. The two countries had trade worth some DM 40m (£96.4m) in 1978, according to East German foreign trade statistics.

East Germany is not alone among Comecon countries interested in expanding trade and economic links with Mexico. Poland expressed keen interest in obtaining Mexican oil during a visit to Warsaw in March by a Mexican trade mission.

The Poles would like to build merchant and fishing vessels for Mexico and to deliver equipment for complete chemical plant and mining equipment. Polish trade with Mexico last year rose to $34m and the Poles say this figure will triple by the mid-1980s.

Poland's expectations, however, may not be fulfilled. It plans an economic mission to Mexico next year but the East Germans may have beaten it to the business.

Perfectionist stamp on Berlin standards

BY LESLIE COLITT

HERR HELMUT REIHLEN, director of the Deutches Institut fuer Normung in Berlin, better known as DIN, sits in a safe chair which has five castored feet, appropriate for a man who is responsible for the country's standards, such as for electric fixtures in every German household, the buildings in which Germans work and live, and nearly every part of the cars they drive.

DIN has become the most influential of the world's national standards since its founding in *1917* and Herr Reihlen is the first to agree that it is invaluable to West Germany's export oriented industry.

Last year China signed a five-year agreement with DIN under which the entire set of some *22,000 DIN standards* will be made available to the Chinese. Herr Reihlen says it was a "very nice success for us" and that the timing was important with West German industry working to corner a large share of the Chinese market.

DIN headquarters in West Berlin is but part of the association's apparatus which includes 120 standards committees and 3,900 sub-committees and working groups with 41,000 unpaid Kest German experts from industry, science and government agencies.

The output of this beehive of activity was 3,107 stadardsn issued last year, which was 10 per cent less than the year before. The trend, he explains, is not to standardise "more than is necessary," especially as West Germany already has more standards than other countries.

Although West Germans occasionally mock the tendency towards pertectionism in their country. Herr Rheilen notes it is invaluable in promoting DIN's standards abroad. *"Foreigners accept this perfectionism* because technical regulations have to be perfect if they are to make any sense.

One of the oldest DIN standards, governing paper sizes, is perhaps the most widespread and simplest one which is used in many countries having the metric system. DIN's paper sizes start with AO or, one square metre in size. When this is folded the size obtained is A1, and eventually the paper can be folded to A11, which is a postage stamp. In Germany such widely used products as paper clips, 35 milimetre film, ball-point pen cartridges, bulbs and bricks are all regulated by DIN.

In the working groups that develop DIN's standards, only one representative is impartial, the man from DIN.

Internationally, DIN's standards are the most widely circulated with a copy of every DIN standard costing DM 20,000 (£4,830) a year. They can also be studied in 82 cities around the world at national standards institutes. Herr Reihlen *explains that DIN's testing* standards are as important as the products standards because they establish common testing methods.

DIN is subject to West German cartel office scrutiny because in working out recommendations for a specific welding seam test for example, it could make recommendations which might benefit one or another company. But Herr Reihlen notes that it rarely comes into conflict with cartel law, which stipulates that every producer *should* have equal chances in the market place.

"We allow every manufacturer to be represented in our groups be it Hitachi or General Motors as long as there is reciprocity. We do not on the other hand allow the Soviets to take part," Herr Reihlen remarked.

One of DIN's main functions today he explains, is to make German products better for export because the country's high wages would otherwise render them uncompetitive. He believes that DIN which operates on a budget of DM 50m is an important reason why German products do so well abroad. He adds that 90 per cent of all international standards have been accepted by DIN which "means we have succeeded."

W. Germany in machine tool deal with Poland

By Christopher Bobinski in Warsaw

METAL EXPORT, the Polish foreign trade company, has completed a series of agreements for the purchase of West German machine tools and machine tool manufacturing equipment worth DM 610m (£147m).

Under the agreements Thyssen Rheinstahl Technik, working with Mexpol, will arrange deliveries to Poland from smaller West German machine tools suppliers.

Finance for the deal comes from Government guaranteed credits originally designated for a major coal gasification and chemical development project which were granted in 1977.

When the Polish Government decided to shelve the gasification scheme in its original form, the *West German credits worth* DM 2bn were earmarked for imports of West German machine tools, mining machinery and equipment for the chemical industry.

About 75 per cent of the DM 2bn credit, which has to be taken up by the end of this *month, has already been spent* by the Poles.

DM 250m went on a smaller coal gasification plant which will be supplied by Friedrich Krupp and Thyssen Bergbautechnik has also signed an agreement for deliveries of mining machinery worth DM 70m.

Franz Kirchfeld of Dusseldorf signed an agreement last week with Polimex Cekop, a Polish foreign trade company, for deliveries of chemical equipment worth DM 200m.

Under the agreement Kirchfeld will arrange deliveries from smaller West German subcontractors to Poland.

Orenstein und Koppel, a West German opencast mining machinery manufacturer, is another company which has signed agreements worth almost DM 220m under the terms of the credit.

Sterling 'threat to footwear jobs'

By Arthur Smith, Midlands Correspondent

THE FOOTWEAR industry, with 15,000 workers on short time, has warned the Government of the danger to jobs posed by the strength of sterling. Some 3,000 of the 74,000 workforce have already been made redundant this year.

Mr. Michael Fielden, director general of the British Footwear Manufacturers' Federation, said last night: "The fact of the matter is that we are being knocked to Hell by the value of the pound." The high exchange rates both hindered exports and sucked in foreign goods.

British companies had increaesd sales to the Common Market by 40 per cent to 3m pairs in the first quarter of this year. In the same period imports from Portugal had jumped 47 per cent to 1.36m, largely because of the strength of sterling.

The main impact of imports had been upon men's leather footwear, already suffering from a slump in home demand. At times of economic recession men tend to react in a more volatile fashion and withhold purchases," Mr. Fielden said.

Men's footwear accounts for about 28 per cent of the UK market and four out of five manufacturers in that sector are operating short-time working.

But some sectors—such as women's quality shoes made in the Norwich area—are still prospering.

The industry is continuing to make representations to the Government about cheap imports, particularly from Eastern Europe. In the first quarter of this year Poland increased sales to the UK by 42 per cent to 1.28m pairs and Czechoslovakia by 50 per cent to 660,000 pairs.

Mr. Fielden thought redundancies over the next few months were likely to fall to a trickle. But he warned: "If the situation does not improve in the autumn there will be more serious job losses."

The Ward White Group, of Northamptonshire, this week announced 400 redundancies among its 5,000-strong workforce. Five operations in Northampton and one in North Wales are to close. The company blamed imports and the fall in retail sales of men's footwear.

British Rail has £150m plan for new trains

BY LYNTON McLAIN

BRITISH RAIL will ask the Government in the next fews days for permission to spend £150m on 60 advanced passenger trains for the London to Glasgow route.

The trains will operate at a maximum of 125 mph and not the 155 mph top speed of the APT prototypes.

The new trains will have only one power car compared with the two of the APT prototypes.

Without the trans the long-term financial prospects of the Inter-City network will "founder," BR says.

The British Railways Board regards the trains as essential replacements for the ageing electric locomotives operating on routes from London, Euston to Birmingham, the north west and Glasgow. Some of the engines are over 20 years old and at the end of their design life.

BR expects to lose passengers—mainly to the airlines—on the London-to-Glasgow route now used by 20m people a year if the Government does not agree to the investment.

British Airways has 70 per cent of the business traffic on the route, BR has 27 per cent and the rest go by car.

But if the APT is introduced, even at the reduced 125 mph speed, BR expects to capture a maximum of 9 per cent of British Airways' London-to-Glasgow passengers, by doing the journey in four hours 10 minutes—50 minutes faster than the existing 100 mph electric trains.

After further engineering work on the route the journey will take exactly four hours. BR may charge premium fares for the APT.

The first of the three existing APT prototypes will enter service in October, a year later than planned, more than 13 years after research started.

The work — mainly on a mechanism for tilting the train at speed on corners—resulted in one of the prototype APTs reaching 160 mph on existing track.

The train is unlikely to reach this speed in commercial service. BR says it can see "no commercial justification for operating at a higher maximum speed." Only marginal benefits would be gained at speeds over 125 mph.

BR is required by the Railways Act 1974 to get the approval of the Minister of Transport for all investment over £3.5m.

Overall BR investment for 1980-81 was set at £277m in the Government's White Paper on expenditure published in March.

BR is expected to tell officials in the Transport Department that the £150m investment in APTs will make a 20 per cent return on capital in line with the Inter-City financial targets set by Mr. Norman Fowler, Transport Minister.

Total investment in the APT is more than £35m, including tests to find out why an APT came off the rails in April. This was attributed to faulty maintenance on a wheel bogey.

Air chief pleads over Hong Kong route

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ANY DECISION by the Government to alter the Civil Aviation Authority decision granting the London-Hong Kong air route to British Caledonian Airways would be a "severe blow" to the airline.

Mr. Adam Thomson, chairman of British Caledonian, says in the airline's staff newspaper that such a change might affect employment and the introduction of new airliners.

The airline was awarded the route this year after a bitter contest against Cathy Pacific Airways (the Hong Kong Airline) and Laker Airways.

The authority thus took a different view from the Hong Kong Civil Aviation Licensing Authority, which had given the route jointly to British Caledonian, with four flights a week and Cathay Pacific with three flights a week. British Airways is at present the only airline flying the route, with a daily service.

After the UK authority's decision, British Caledonian and Cathay Pacific appealed to Mr. John Nott, Secretary for Trade, whose verdict is awaited.

Mr. Thomson says that Mr. Nott is under "tremendous political pressure" from interested parties, including lobbies in Hong Kong, to change the decision in favour of Cathay Pacific.

"In winning the Hong Kong route, British Caledonian has won the most important licence that has ever been awarded to a British independent airline.

"To alter the decision now would be bowing to an orchestrated Hong Kong opinion, which is not a view sustained by the majority of people in the colony, but also it would be a severe blow to the airline industry in general and to British Caledonian in particular."

Mr. Thomson said his airline was making plans to the necessary staff and equipment available for the route from August 1. Any change "could undoubtedly have an effect on both."

A decision against British Caledonian would benefit British Airways, which has the monopoly of the route as well as a shareholding of 15 per cent in Cathay Pacific.

NATO orders disturb Plessey

THE AWARD last weekend by NATO of a contract for two radars, for use in the UK, to the U.S. General Electric Company has been met with "deep concern" by Plessey, one of the UK's biggest radar-makers.

Plessey said yesterday that the award, with a recent Civil Aviation Authority decision to award a civil radar contract to the Dutch Signaal company, "must establish undesirable precedents and, in common with the rest of the British electronics industry, we must register deep concern."

Plessey admitted the defence radars were financed by NATO, that strict rules applied to bids as a result, and that the winner was the lowest tenderer.

But it was "inconceivable" French or U.S. Governments would let foreign radars be bought for their major national defence network. It was indirect support their own industries received, through strategically-placed contracts, which enabled them to bid competitive prices elsewhere in the world. The effect of the UK Government purchases damaged British credibility in other world markets.

The UK industry did not need "feather-bedding" but sought the same kind of support major competitors enjoyed.

Thatcher renews Olympics plea

BY DAVID TONGE

THE GOVERNMENT has launched a fresh campaign to discourage British athletes from taking part in the Moscow Olympics.

In the Commons yesterday, Mrs. Margaret Thatcher, the Prime Minister, strongly denounced the Russians.

"I sometimes wonder what more the Russians have to do by way of atrocities in Afghanistan to convince our athletes that they should not go to Moscow," she said at question time.

Following reports of renewed fighting in Afghanistan, Lord Carrington, the Foreign Secretary, had issued a further call to the British Olympic Association to withdraw "even at this late stage." Yesterday Mrs. Thatcher reinforced this plea saying: "The action of Soviet troops in Afghanistan speaks more loudly than the words of myself or the Foreign Secretary."

But Mr. Dick Palmer, general secretary of the British Olympic Association, remains unmoved: "There is no question of our not going. As far as we are concerned it is all stations go."

He also rejected Lord Carrington's claim that Russia had scored a propaganda victory with the attendance of so many countries at the games. "It was not a propaganda exercise until Lord Carrington and the Americans started. They are the ones who started the propaganda."

The British Olympic Association has agreed to go to Moscow, but the Government stresses that for the invitation to be effective the names of athletes have to be sent to the Russians. This is not due to happen until about 10 days before the Olympics start on July 19.

New chairman for Ranks Hovis group

MR. JOSEPH RANK is to give up the chairmanship of Ranks Hovis McDougall, the food group, at the end of January next year after 44 years with the company. He has headed the board for 11 years.

He will be succeeded as chairman by Mr. P. W. J. Reynolds, managing director and chief executive, who will remain chief executive.

Mr. Rank will become president and remain a director of the company.

Mr. S. G. Metcalfe will become deputy managing director on August 1 this year and succeed Mr. Reynolds as managing director on February 1 next year. Mr. R. C. Loombe will become managing director of the cereals division in August.

Chemical imports 'will cut home producers' sales'

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE NEXT 10 years will see a marked drop in the home sales of many UK chemicals producers because of increased imports, according to a report by Cambridge Econometrics, a consultancy group.

The report forecasts that between 1979 and 1990, British chemical companies' sales to the UK market will fall by a total of £437m—at 1975 prices. Between 1975 and 1979 sales by UK producers to their home market rose by £257m at 1975 prices.

The report says this increase represents "little growth" in sales by UK producers to the home market, "even in those sectors which have been most successful overall." It warns that this pattern will continue in the future but "writ even larger," and predicts home sales of plastic materials, resins, soap and detergents, dyes and toiletries will be hardest hit.

Since 1975 some sectors of the British chemical industry have managed to hold on to their tonnage in home markets but "importers have captured all the UK market growth." At worst, importers "have been so successful they have pushed down home sales to the home market."

Cambridge Econometrics says there are three main reasons for the erosion of home sales by UK chemical producers:

● Britain's entry to the Common Market and the abolition of duties which have given Continental companies a firm foothold in the UK market.

● The trend for chemical customers to use at least two suppliers instead of relying on one as they used to do.

● The strength of sterling which is expected to encourage a growth in chemical imports to the UK until 1983 at least.

The report says the main long term trend for chemical imports to the UK is one of "cumulative market penetration"—as importers build up a sales base their ability to penetrate further grows in proportion. It adds that another important influence on imports is what it describes as the "variety effect."

Higher income levels bring with them a demand for a much greater variety of products. The report says that the range of products demanded increases much faster than the level of demand and "no domestic producer can keep up."

But on the bright side, the report states that the worldwide demand for greater product variety should also boost British chemical exports in the longer term. An annual growth rate of 7.5 per cent is forecast for the late 1980s.

But between now and 1983 chemical exports are expected to be "sluggish" increasing at less than 3 per cent a year. The main culprit is the strong pound.

"In the short term, we estimate that a 10 per cent rise in the value of sterling loses about 7 per cent in chemicals export volume because of uncompetitive pricing," says the report. "As prices are cut or held down to restore competitiveness, the profitability in the UK worsens. The disincentive effect on exports increases to about 8 per cent."

Beaton furnishings fetch £100,000 above forecast

SALEROOM

BY ANTONY THORNCROFT

CHRISTIE'S completed the sale yesterday of the contents of Sir Cecil Beaton's home, Reddish House, Broadchalke, Wiltshire. Everything was sold, and the total of £491,571 was £100,000 above expectations.

The top price yesterday was £20,000, plus 11.5 per cent buyer's premium and VAT, paid for a painting by Augustus John of his wife Dorelia. This was an auction record for a John, doubling the previous best, achieved by Christie's in 1978.

A rose given to Beaton by Greta Garbo in 1932, which he kept pressed between the leaves of his diary, was bought by a New Zealand photographer for £750. Other high prices were £7,500 for *The White Garden—Moonlight*, painted in 1910 by Henri le Sidaner; £8,000 for a pair of bronze lamps by Giacometti; £7,500 for an English School view of Ashcombe in Wiltshire, painted in around 1770; and £5,000 for another lamp by Giacometti.

A set of four George III silver wine labels sold at Bonham's yesterday for £1,000, which is believed to be the highest ever auction price for wine labels.

At Robson Lowe a sudden increase in interest in Chinese stamps was revealed. Prices in many cases were three or four times what was expected. A Manchuria collection sold for £900 against the £275 forecast, and another made £500 compared with the £150 estimate.

Tough line urged on council spending

By Robin Pauley

THE PRIME MINISTER has decided that a tough stand must be taken against local authority overspending this year and is understood to have told Mr. Michael Heseltine, Environment Secretary, to be more aggressive.

A new statement about overspending is thought to be imminent from Mr. Heseltine.

This could explain the department's delay in sending out a circular asking all local authorities to re-examine their budgets for 1980-81 and avoid the risk of overspending by considering further pruning. The first draft of the circular surprised local authority leaders by its restrained tone.

Local authorities now seem to be overspending their 1980-81 budgets by 5.6 per cent, although when revenue contributions to capital are included this figure reduces to 3.7 per cent, within the normal margins for this stage of the financial year. This is usually absorbed during the rest of the year, but Mr. Heseltine felt the risk of overspending was great enough to warrant a call for revised budgets.

TARGETS

But Mrs. Thatcher is understood to have told him that councils must be dealt with more firmly.

It is not clear if this means a stronger circular, perhaps containing prescribed targets. It could also mean that the list of 10 to 20 worst overspenders in 1980-81 may be penalised more severely than Mr. Heseltine might have been intending.

Environment Department officials have been increasingly concerned that penalties this year should not be too stiff, in case they cause exceptionally large rate increases next year to make up the grant forfeited. Such high rate rises would make the implementation of the new block grant system of rate support even more difficult than it is already likely to be.

The question of penalties has become controversial with a growing feeling that different statistics and the significant element of "rough justice" entailed might make it better to abandon the idea, however politically committed to it the Government was.

Furniture margins cut

FURNITURE manufacturers are trimming profit margins and so are many retailers in an attempt to stimulate flagging sales. Twenty per cent price reductions on good quality furniture are not exceptional.

The crisis now facing the industry is "the worst for many years," according to Mr. Jerrold Nathan, chairman o fthe Furniture Information Council, which represents manufacturers, distributors and retailers.

Deliveries to the trade in the first quarter of this year were over 15 per cent less than in the same period of 1979 and orders-in-hand are at their lowest since 1975.

Huge shortfall feared in mortgage finance

BY MICHAEL CASSELL

BUILDING SOCIETIES could face a "gigantic" shortfall in the level of funds required to meet future mortgage demand, according to Mr. Ralph Stow, immediate past chairman of the Building Societies Association.

Mr. Stow, managing director of the Cheltenham and Gloucester Building Society, was addressing delegates to a London conference on the housing market in the next decade.

He said the stimulus to home ownership in the current Housing Bill was "most welcome," but providing the necessary finance could be a problem if interest rates remained at present levels for much longer.

The shortfall in finance against the likely demand for mortgage funds could rise as high as £4bn if the flow of money into societies did not soon substantially improve.

He pointed out that in the first four months of this year, gross advances by the societies totalled £2.66bn. Projected for the year as a whole this gave more than £8bn — well below the probable demand of £11bn estimated by a recent working party on housing finance, of which he was chairman.

New evidence suggests, however, that this estimate may be too high, because the home loans market has been weakened by record interest rates.

Mr. Stow said his forecast took into account not only the level of traditional mortgage demand but also the likelihood that societies would be expected to provide finance for tenants buying council houses and housing association properties.

The societies were also expected to maintain a £400m a year contribution under the local authorities' support scheme.

"The reason why we are at present unable to meet this demand is fully recognised by the Prime Minister and the Government—it is because we are operating an interest rate structure that is relatively uncompetitive and below current market levels."

Mr. John Stanley, Housing and Construction Minister, told the conference building societies should lend more money on rundown properties in inner cities.

"I think there has been a legitimate debate as to whether societies may have been too cautious in the past in their lending policies towards certain types of house, and in certain areas of the older towns and cities, he said.

"Lending on older houses, on conversions, and in the less favoured parts of our cities, can make a very important contribution not only to the revival of rundown areas, but also in meeting the demand for home ownership among those for whom the cheapest houses will very probably be the only houses they can afford."

Mr. Stanley said he recognised that the societies' lending practices had changed. Ten years ago 17 per cent of all advances by building societies were on pre-1919 property. Advances on similar homes totalled 25 per cent in the first quarter of this year.

Mr. Stanley said if home ownership continued to grow at its present level, home owners would number 60 per cent by 1990 instead of the present 54 per cent.

Attack on 'waste of tennis resources'

BRITAIN'S TENNIS authorities have been criticised for wasting resources, neglecting the game at its basic level and becoming bogged down in a bureaucratic tangle dominated by "elderly people."

Wimbledon should make a greater contribution to the game and less money should be spent on Britain's few star players if the decline of tennis in this country is to be halted, says a report published yesterday.

The study of tennis organisation was ordered two years ago by the then Minister for Sport Mr. Dennis Howell and headed by Mr. John Smith, chairman of Football League champions Liverpool.

The Lawn Tennis Association, the All England Lawn Tennis Ground and the All England Lawn Tennis and Croquet Club have resources of more than £2m, but the money is not spent to the game's benefit, says the report.

"Too high a proportion of the LTA's resources have been poured into the top tier of lawn tennis. If it was thought finance was a major problem evidence indicates otherwise. At local level it is clear that clubs have experienced great hardship, yet have received meagre support from the authorities."

Benefit

The game could benefit by an extra £500,000 if Wimbledon went fully commercial, the report suggests. More money would come in if, in line with other European countries, the present 30p affiliation fee paid to the LTA by clubs was raised to £5 a year for adults and £2 for juniors.

Wimbledon, which refused the inquiry access to last year's accounts, was criticised for its complicated financial structure, and, with the LTA, blamed for the poor state of the game on a local level.

Tennis money would be better spent on improved facilities, club loans, and expansion of coaching and training for all players at all levels. A director of coaching, who would restructure the set-up, was desirable.

Calling for the appointment of one small committee to take over day-to-day management, and a chief executive, the report says: "An amateur administration has ensured an amateur approach to the guidance and direction of the game. The half-hearted attempt to 'professionalise' the management of the LTA shows little progress."

Gareth Griffiths on the slump in the chocolate industry

VAT bites into confectionery sales

THE CHOCOLATE and confectionery industry, in many ways one of the barometers of the economic climate, is making redundant or putting on short time a considerable part of its 70,000 workforce. A high proportion are women, working mainly part-time.

There are about 200 companies—150 of them members of the Cocoa, Chocolate and Confectionery Alliance—but the industry is effectively dominated by the Big Three, Cadbury Schweppes, Rowntree Mackintosh and Mars.

Rowntree Mackintosh has introduced short-time working for about half its 14,000 workforce this year and Cadbury is to make redundant 700 workers at Bourneville, Birmingham.

George Bassett is closing its Glasgow operation with the loss of 180 jobs.

The public has shown marked resistance to paying higher prices for chocolate and confectionery since the Chancellor increased VAT from 8 per cent to 15 per cent last June. Confectionery sales fell 6 per cent in the last six months of 1979. After a poor Christmas the downward trend has continued.

Mr. Robert Wadsworth, president of the Cocoa, Chocolate and Confectionery Alliance, said confectionery spending rose 12.5 per cent in 1979 to £1,600m, but volume of sales fell about 3 per cent.

Confectionery companies say their products are extremely price sensitive. The industry believes there can be no real volume growth in the home market while VAT remains at its present rate.

The VAT increase came as a shock to the industry. Its analysts are unanimous in saying that it is the main reason for the sales fall-off. A growth of about 0.5 per cent a year had been forecast if VAT remained at 8 per cent.

For the previous two-and-a-half years, chocolate and confectionery sales had been doing relatively well. The squeeze on personal income in the mid-1970s had seen a fall in sales overall, but from a low of 740,000 tonnes in 1975 UK manufacturers' sales rose to 819,000 tonnes in 1978. In the first six months of 1979 volume sales increased by about 6 per cent.

In the past, consumers switched from chocolate to sugar confectionery goods in an economic recession. In the present fall off, chocolate sales have declined, particularly for moulded chocolate bars, but the sugar confectionery industry appears to have suffered even more.

Consumers are now more aware of other snack food available—in part because of advertising. Foods such as crisps carry zero VAT rating and confectionery's relatively high price has been a major factor.

Childre, who have about a third of confectionery purchasing power, are discriminating buyers. A packet of crisps at 10p seems to offer better value than chocolate bars at 21p to 25p.

The buoyant market of the late 1970s led to far greater competition in the industry. The traditional Quaker-dominated sector has become concerned with aggressive marketing and development of brand loyalties.

Cadbury Schweppes, Rowntree Mackintosh and Mars control more than 80 per cent of the British market. Competition has been particularly tight in the cereal coated range, viewed as the growth product of the 1980s. Banjo, Twix, Montego, Trio, Drifter and Kit Kat all compete for their share of consumers' cash.

Cereal centred chocolate bars appear the ine resilient sector. In the first four months of the year manufacturerers' sales of the other sectors fell by 11.6 per cent.

The fall perhaps exaggerates the true position because of retailers' destocking.

The strong state of the pound has had a mixed effect. Exports fell marginally from £216m in 1978 to £209m.

The major companies have become increasingly involved in overseas acquisitions. This has led to cross trading between subsidiaries. Rowntree Mackintosh has concentrated in Europe, while Cadbury Schweppes has chosen the more strongly organised overseas sales, including those from its overseas companies, were £274m. Total income was £601m.

The decline in cocoa commodity prices from £1,426 a tonne in January to £1,011 a tonne now indicates the generally flat state of the world confectionery market. The UK market seems to have shown a more marked decline than elsewhere.

UK consumption of cocoa beans showed a fall of 22.6 per cent in the third quarter of last year, and of 10.9 per cent in the fourth quarter, against the same periods in 1978. In the first three months of this year consumption fell by 12.4 per cent.

Cocoa butter, the other main ingredient for the chocolate industry, has not shown as large a fall. But for both products it will take several months for reduced raw material prices to work through to shop prices.

The Cocoa, Chocolate and Confectionery Alliance remains uncertain about when there will be an upturn in the industry. Rowntree Mackintosh said last night is expected sales during the next six months would be better than the same period last year.

New AA motor-cycle insurance

BY ERIC SHORT

MOTOR-CYCLISTS with accident-free records will be able to save up to half their insurance premiums in a new policy offered by Automobile Association Insurance Services.

In contrast with conventional motor-cycle insurance, which is designed to meet the costs of damage to the machine and the liability towards other parties involved in an accident, the AA's policy aims to provide existing cover more cheaply and to extend the scope of the cover.

It offers a no claims discount of up to 40 per cent, instead of the usual 10 to 20 per cent, for four years free of claims. Alternatively, the policy may be arranged to provide free additional cover for any other motor-cycles owned by the policyholder.

Another 10 per cent of the premium may be saved if the motor-cyclist accepts double the normal damage "excess": the first part of the claim paid by the policyholder.

The policy is available to the general public, but AA members can under this scheme receive up to £50 for damage to helmets or clothing after an accident. A small extra premium permits AA members with hire-purchase commitments to claim up to £50 a month, up £250, to meet repayments after an accident that leaves them unable to work.

Organic waste 'could provide energy'

BY MARTIN DICKSON, ENERGY CORRESPONDENT

FUEL FROM organic wastes could eventually contribute the equivalent of 30m tonnes of coal a year to the UK's energy needs, according to the Department of Energy. This represents about 8 per cent of Britain's energy demand last year.

The figures were given in a newsletter on renewable energy published by the Ministry yesterday. But it said technical feasibility and the cost of conversion processes had still to be established.

Interest in so-called biofuels is developing fast in many countries, notably Brazil, Canada and the U.S. Organic wastes are a negligible contributor to Britain's energy needs.

The Department said Britain's biofuel could come from two types of material: organic wastes produced in homes, industry and agriculture, and energy crops grown on land not used for food or timber.

Studies suggested animal wastes now available could produce biogas equivalent to 4m tonnes of coal a year through a microbiological process which made a gas containing about 70 per cent methane and 30 per cent carbon dioxide, with traces of hydrogen sulphide.

With Ministry support, two companies—Howard Harvesters and Hamworthy Engineering—were developing and testing equipment for use on farms. Both would initially handle pig slurry — the most polluting animal waste and a severe problem on intensive pig farms.

Clothing manufacturer to close third plant

BY LISA WOOD

SILHOUETTE, THE women's fashionwear manufacturer, yesterday said it was closing its factory in Whitchurch, North Shropshire. More than 200 jobs will be lost.

The factory will be the fourth the company has closed or sold in the past year, and the total workforce will have been cut from 1,100 to 400.

Factories at Market Drayton and Telford were closed last year and that at Chirk was sold. Last year, Silhouette was taken over in a £3m deal by Pawsons, the Leeds-based clothing manufacturing group.

Further redundancies in the clothing industry have been announced by the Meridian Group, part of Courtaulds Knitwear.

The group's leisure-wear factory at Kegworth, Leicestershire, is to close this month with 66 redundancies. A second factory at Beeston, Nottinghamshire, is also to close with about 90 redundancies.

● In Northern Ireland, 96 workers at Universities Press, the Belfast printing subsidiary of Pitman, are to lose their jobs because of the company's flagging export performance.

Pitman said more than half the scientific and mathematical typesetting done by Universities Press was for export, mainly to the U.S.

● Lucas Elliott in Cannock yesterday announced that 200 men were to go on short-time working.

● MK Electric, a subsidiary of MK Electric Holdings, is to revert to normal working from July 7 at all its factories.

The company, which has been working a four-day week since January, says its stocks have now been significantly reduced.

● Robinson Willey, manufacturers of gas fires and wall heaters at Old Swan, Liverpool, has given 30-day redundancy notices to 80 of its production and office staff. The notices follow 11 weeks of short-time working because of a fall in orders.

Economic policies 'jeopardising' textiles

BY RHYS DAVID, TEXTILES CORRESPONDENT

ALMOST 10 per cent of total employment in Britain's textile industry had been lost in the past 12 months and mill-closures were running at the rate of one a week, Mr. Leonard Regan, president of the British Textile Confederation, said in London yesterday.

Mr. Regan, speaking at the BTC annual meeting, warned of the double pressures facing the industry, from Government economic policies and continuing high levels of import penetration.

There was a danger, he said, that in the battle to conquer inflation the long-term future of the industry was being placed in jeopardy.

Mr. Regan's remarks follow a meeting earlier this week between the industry and the Prime Minister. He said the Government had the ability and the duty to give textiles some relief.

He cited the burden placed on the UK industry by higher energy, environmental and local authority costs than overseas competitors paid. He drew attention to what he claimed was inefficient enforcement of the EEC's textile-import policy, and to the trade barriers imposed in a number of overseas markets.

Sir Keith Joseph, Industry Secretary, speaking at the meeting, reiterated Mrs. Thatcher's pledge to renegotiate the GATT multi-fibre arrangement on the most advantageous terms.

He promised that the Government would use EEC procedures as effectively as it could,

Cost of safety tests holding up drugs

MEDICINES which could treat rare diseases are being withheld from the market because pharmaceutical companies can not afford the cost of safety evaluation for drugs with limited sales potential.

A report from the Office of Health Economics, think tank of the British drug industry, says the Committee on Safety of Medicines, the Government's watchdog on safety of drugs safety, refuses to permit "short cuts" for such drugs.

The report on the balance between benefit and safety in pharmaceutical innovation says that when only a few patients require the medicine it can be prepared in a hospital laboratory, and used without a product licence. But it warns that the trend must be to withhold new medicines from growing numbers of patients because of the rising cost of demonstrating safety.

No one was able to say where the right balance between benefit and risk should be struck "largely because of the conceptual difficulty in understanding the risk-benefit equation."

One attempt made by the think tank to canvass the opinions of prescribing doctors on what was an acceptable level of risk, and what delay to new medicines could be suffered to achieve it, had to be abandoned. Those who took part in preliminary interviews said the problem appeared to be unquantifiable.

"It seems that the regulatory bodies themselves and the civil servants who staff them face the same dilemma as practising doctors. They simply do not know how much information to ask for, and they are unable to balance the time and the cost of gathering the information against the uncertain degree of increased safety to which it might contribute."

The report says the innovating company itself had the strongest incentive to ensure the safety of its new medicines. "At the least, it is commercially disastrous to introduce an unsafe medicine." It also points out that the new safety tests are themselves invariably devised by the industry, and not by the regulatory bodies.

Regulatory policies based on the assumption that industrialists will act recklessly were "just as misguided as those which suppose the Government administrators and advisers have nothing but altruistic motives."

By being unnecessarily bureaucratic and cautious, regulatory bodies could do at least as much harm as the over-enthusiastic industrial innovator, the report says. It also points out that the new safety tests are themselves invariably devised by the industry and not by the regulatory bodies.

The report urges a centrally financed scheme under the Health Service to evaluate claims for compensation from those people who believe they have been harmed by a drug. Such a scheme would pay compensation without regard to the financial strength of the manufacturer involved. The scheme would be reimbursed by the manufacturer if he was shown to have been negligent.

A question of balance: the benefits and risks of pharmaceutical innovation. Office of Health Economics, 162 Regent Street, London W1R 6DD. £1.50.

Ray Perman looks at the latest efforts to woo foreign investors

Tax reductions—Britain's new attraction

THE MEN and women responsible for enticing foreign companies to the UK, the Department of Industry's "Invest in Britain" Bureau, have been arming themselves with a new weapon—a better understanding of the British tax system.

The move arises because many overseas investors believe the UK to be prohibitively expensive, with a standard rate of corporation tax of 52 per cent compared with only 10 per cent for foreign companies in the Irish Republic.

The Republic is the UK's main rival for foreign investment.

In reality, however, very few manufacturing companies in Britain pay the full rate.

By taking advantage of various allowances that are available to reduce taxable profits—such as stock relief and capital investment allowances—the rate can be cut to an average of less than 20 per cent.

The bureau now realises that if it can get this message across, foreign companies might begin to look more favourably on the UK. So it has asked the Inland Revenue to organise seminars for its staff to tell them what the situation is. One such tutorial has taken place, more may follow.

Nippon Electric, the Japanese group, is likely to be one of the bureau's first targets with its new-found knowledge.

Nippon is looking for a European site for a £20m microprocessor factory. It has narrowed its choice to Dublin and Livingstone new town in Scotland, and has already been given a final offer in terms of cash grants from the Irish. It is now waiting to see if the UK can beat it.

Nippon wants to make up its mind before the end of July, so a team from Britain is likely to visit Japan soon.

What the Japanese are told will of course be kept secret. But a fair indication of the sort of offer which could be made has come from the Scottish Development Agency.

The agency is some way ahead of the bureau and has already mounted the first of a series of tax seminars in the U.S. aimed at convincing American companies that the UK tax system is not as frightening as it appears.

It has also produced—as part of its evidence to the Commons Select Committee on Scottish Affairs which is investigating foreign investment—a model to show what levels of tax a typical electronics company coming to Britain might expect to pay.

The model is based on a fictional firm called Westminster Electronics, but the type of investment, the manufacture of microchip-based instruments, is similar to that planned by Nippon.

It assumes initial capital investment of $2m, made up in equal parts of equity, loan from the parent group and short and long-term borrowing in the UK.

British Government assistance would comprise regional development grants of 22 per cent on plant and equipment, and selective financial assistance under the 1972 Industry Act.

It is also assumed that sales will be $5m in the first year, rising by 20 per cent a year and that pre-tax profit before interest will average 18 per cent of sales.

These may seem high figures to many British manufacturers, but they are conservative by the standards of the electronics industry.

The model shows how, by judicious use of the various allowances available, the company can pay no corporation tax at all in its first year. This will rise to 10 per cent in the second year and only slowly in successive years. At the end of five years the cumulative tax paid will only be 28 per cent.

On that basis, Westminster Electronics would have paid back its initial investment of $2m in little more than three years, and its return on capital would be about 48 per cent—a figure that many U.S. companies already operating in Scotland would consider rather low.

The submission goes on to explain how the relaxation of exchange controls in the UK has made international financing easier for foreign companies.

WESTMINSTER ELECTRONICS—TAX PAYABLE
(All amounts in $'000)

Pre-tax profit	786	1,048	1,346	1,557	1,900	6,637
Book depreciation	56	72	87	128	144	487
Disallowable expenses	10	11	12	13	14	60
Capital allowances	(1,032)	(232)	(632)	(264)	(264)	(2,424)
Relief for increased inventories	(167)	(200)	(240)	(288)	(346)	(1,241)
Taxable profit/(loss)	(347)	699	573	1,146	1,448	3,519
Tax losses B/F	—	(347)	—	—	—	—
Tax at 52 per cent	—	183	298	596	753	1,830
Effective cumulative Tax rate	Nil	10%	15%	23%	28%	

Call for fuel consumption targets to be set

BY LYNTON McLAIN

MAXIMUM FUEL consumption standards for different classes of vehicle should be set and achieved by specified dates, Mr. Stuart Mustow, the new president of the Institution of Municipal Engineers, told delegates at the annual conference of the institution in Bournemouth yesterday.

He said it was generally accepted in the motor industry that improved design could substantially cut the fuel consumption of lorries and cars.

But he questioned whether the industry was doing enough.

"Positive action" was needed to set out new fuel consumption standards to enable control over fuel-use to be shared more equally between the consumer and the motor manufacturer.

However, the Society of Motor Manufacturers and Traders said after his speech that the British motor industry was committed to a 10 per cent cut in consumption for cars between 1979 and 1985.

Redifon wins £3m flight simulator order

By Michael Donne, Aerospace Correspondent

BRITISH AIRWAYS Helicopters, a subsidiary of British Airways, has placed a £3m contract with Redifon Simulation of Crawley, Sussex, for the world's first flight simulator for the Boeing Chinook commercial helicopter.

British Airways has already ordered six long range Chinooks. The first three are due to be delivered in mid-1981.

Car identification scheme

BY JOHN GRIFFITHS

A PROJECT was launched yesterday to recruit operators for a nationwide vehicle identification scheme. Its backers say it could have a big effect on car thefts in the UK—currently running at one every two minutes.

Protexcar, founded by Birmingham property developer Mr. John Harris, plans a network of 50 franchises to engrave vehicle registration numbers on the window glass of new and secondhand cars at £10 a time.

A central computer record will provide ownership checks —an improvement on the Department of Transport's computer centre at Swansea, whose records are on easily transferred number plates.

The idea of engraving window glass—covering the windscreen and all side and rear windows—is 12 years old. But only recently have the problems been overcome of either dangerously weakening the glass, or engraving so shallowly that the marks may be polished out.

Protexcar says 16 of the available franchises have already been taken up. It plans 30 by the end of this year.

Union leader hits at 'dishonesty' of anti-nuclear industry

A STRONG attack on the "anti-nuclear industry's intellectual dishonesty" has been made by Mr. John Lyons, general secretary of the Electrical Power Engineers Association, writes David Fishlock.

Mr. Lyons criticises its "double standards and systematic misrepresentation of facts and issues."

Writing in his union's journal Mr. Lyons says there is no doubt the anti-nuclear movement is having some success in influencing public opinion.

"If it should succeed in persuading public opinion to turn against nuclear power, then the fact that false arguments had been used would be irrelevant.

"It would create a major economic and political crisis for this country and any other in which it was successful."

Mr. Lyons warns his members that they are "no longer dealing simply with a critical and healthy environmental movement, genuinely concerned about environmental issues." They are dealing with an essentially political movement "with much wider aims and ambitions, and many fewer scruples about how it proceeds."

The association represents the engineers, scientists and managers who run Britain's electricity supply. Mr. Lyons says his union supports nuclear power in a balanced energy programme so long as it remains safe and socially acceptable.

"We know for ourselves how outstanding is its safety record, and that it provides a secure and economic source of energy for this country's population for many decades to come."

The integrity and competence of everyone in the nuclear industry is being questioned, he says. There are allegations of fiddling the figures, hiding information from the public, covering up "incidents," working for big corporations such as Westinghouse, or "generally engaged in a systematic fraud against the people."

If the industry admitted a defect it had discovered and was dealing with, it was accused of incompetence for not having done it earlier. If it did not report every defect, it was accused of hiding information.

Seventh Boeing for Air Europe

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIR EUROPE, the UK holiday airline set up last year, has ordered its seventh Boeing 737 twin-engined short-range jet airliner.

Worth £7m, it brings the company's investment in jets to over £42m. The aircraft is due for delivery in the spring of 1982.

Air Europe, which recorded a pre-tax profit of over £1m in its first financial year, will carry 350,000 holiday-makers this year from seven British airports to European resorts.

The airline is already operating five Boeing 737s, and takes delivery of its sixth next year.

CONTRACTS

£3.4m computer office block

Ferranti has awarded contracts totalling £3.4m for the design and construction of an office block and computer room at Ty Coch, Cwmbran, Gwent. Main contractor for the project is **JOHN LAING CONSTRUCTION**. This building is the first of three stages in the construction of a design development, programming and pre-production unit. Work has started and should be completed by October 1981. Stage 1 will cover an area of 75,000 square feet, Stage 2 a further 30,000 square feet and Stage 3, 50,000 square feet. These stages should be completed by the end of 1983 and mid-1985 respectively.

*

Aberdeen-based corrosion engineers, **RAMCO OILFIELD AND MARINE SERVICES** has two pipeline coating contracts, worth £1m. The first section runs from Aberdeen to Arbroath and the second from Arbroath to North Forth. The contracts have been awarded by Nacap and Mannesmann (Engineers and Contractors), who are two of the three main contractors laying the land sections for the first phase of the British Gas 42-inch Forth feeder line. Ramco's involvement is in the specialised coating of the pipeline girth welds with fusion-bonded epoxy powder.

*

Low-cost equipment for measuring an airliner's groundspeed has been ordered by British Airways. Worth nearly £500,000, the order is for the AD 660 doppler velocity sensor, supplied by **MARCONI AVIONICS** (a GEC-Marconi Electronics company). British Airways will equip its whole fleet of new Boeing 737 aircraft with the AD 660, which will provide speed and drift information directly for the pilot and additionally, for a special fuel economy system being fitted to the 737.

*

Contracts, worth nearly £400,000, have been won by the Bradford-based major projects division of **N. G. BAILEY AND CO.** for the heating and fire detection system of Kilroot power station, Northern Ireland, and Heysham and Hartlepool power stations.

*

FATA, Milton Keynes, a member of Babcock International group, has been awarded a £250,000 contract for the supply of an overhead power and free conveyor system at J. C. Bamford Excavators factory at Rocester, Staffs.

*

TEDDINGTON INDUSTRIAL EQUIPMENT, Sunbury-on-Thames, has an order worth about £250,000 from Lightfoot Refrigeration Co., for nine sets of the company's "System 5" control and surveillance systems. The equipment is to be fitted on three of the new Type 42 destroyers in which it will be used for sequential control and automatic watchkeeping duties for air conditioning plant.

Blow to BR's productivity

BY PHILIP BASSETT, LABOUR STAFF

BRITISH RAIL's hopes of securing major improvements in efficiency this year because of its recent 20 per cent pay settlement were dealt a serious blow yesterday. It came from the small but powerful Associated Society of Locomotive Engineers and Firemen.

Mr. Bill Ronksley, ASLEF president, opening the union's annual conference in Sheffield, said ASLEF's agreement to six key points of the BR board's productivity proposals was "unlikely."

Mr. Ronksley made clear he did not wish to prejudice the conference's decision on the proposals. But he told delegates: "Colleagues, this is not productivity—its slavery!"

The union is still set to take part in the series of discussions on productivity between the board and the three railway unions. The discussions were set up following the pay settlement.

The terms of the settlement laid dow na deadline of May 31 for a time-table on productivity discussions to be drawn up. The unions complied with that, and the first of a series of 10 meetings was set for June 24. Any decision the *ASLEF* conference might take in line with Mr. Ronksley's predictions could alter that.

Mr. Ronksley objected to those points in BR's proposals which would end all double-manning on trains, daily mileage restrictions, the system of mileage payments, end the line of promotion for footplate staff, increase rostering of shifts of four hours to 12 hours, and end local committees's right to examine and agree on work diagrams before these were effected.

He said train-drivers' working conditions were already "virtually unbearable" and were worsening. These proposals would allow drivers to *be switched* from train to train, doing different jobs, without any overtime or mileage

He said the board's decision to submit its productivity proposals to the Monopolies and Mergers Commission's inquiry into the London and South-Eastern rail service was against the present negotiating agreement.

"There is a strong possibility that the action of the BR board may be responsible for serious difficulties in our industry in the not too distant future," he said.

The union remained opposed to discussing the board's productivity proposals throughout the recent pay negotiations but managed to agree at the end of the talks.

Mr. Ronksley said the Labour Party should commit the next Labour Government now to withdrawing from the EEC, and he supported the Left-wing drive for greater accountability in the party.

Power progress doubt

By John, Lloyd, Labour Correspondent

THE OUTCOME of talks aimed at solving the inter-union dispute at the Isle of Grain power station site remained unelcar last night, as preparations continue to call out insulation egnineers from sites and power stations up and down the country next week.

Mr. Len Murray, TUC general secretary, met Mr. Denis Lomer, the Central Electricity *Generating Board member* for construction and Mr. Ron Burbridge, the CEGB's director of projects, on Monday for informal talks. Neither side has since commented on the talks.

Mr. Frank Earl, the General and *Municipal* Workers Union's national officer, yesterday told regional officers of plans to pull out the union's 500 insulation engineers, or laggers from CEGB construction sites and power stations on Monday if the dis*pute is not settled.*

It is thought likely pressure is now being exterted on the GMWU to accept a £4.60 an hour maximum for the laggers, in common iwth other craft workers.

TUC-CBI talks likely

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE TUC is likely to agree to talks with the CBI covering pay, productivity and social and economic issues.

The invitation to open discussions, made by Sir Raymond Pennock, CBI chairman, at a meeting of the National Economic Development Council last month, will be considered at a meeting of the TUC's economic committee today.

Union leaders on the economic committee stressed yesterday bilateral talks between the two organisations could take place only if they covered social and economic issues as well as pay and productivity.

These would include unemployment, investment, imports and general employment policy.

The CBI indicated yesterday *that it would be prepared to* see social issues discussed, since "they would be inevitably dragged in."

Sir Raymond's line is that there is a direct link between low wage increases and a low level of inflation. The alternative would be high wage *demands, uncompetitive companies* and large-scale job losses.

The CBI's initiative is likely to receive a positive—if grudging—response from union leaders today, since many believe "every other forum for discussion now seems to be falling apart."

Left-wingers on the committee are expected to argue that the unions will receive little advantage from talking to the CBI while it remains wedded to the *Government's economic* strategy.

But the consensus *is expected* to show a willingness to test the existence of possible common ground.

The committee will also discuss a document on the TUC's Day of Action on May 14, and *review future initiatives.* Mr. Frank Chapple, general secretary of the Electrical and Plumbing Trades Union and a committee member, was scathing about the Day of Action, and can expect a rough ride from his colleagues.

Several other committee members were privately sceptical of its wisdom, though the majority believe it was more successful than reports indicated. But there is still some doubt about future activities.

Perkins vote on offer tomorrow

BY JOHN LLOYD, LABOUR CORRESPONDENT

PRODUCTION WORKERS at Perkins Diesel in Peterborough will vote at a mass meeting tomorrow on the company's final pay offer, worth between 16 and 17 per cent.

The offer has already been rejected by shop stewards and *officials of the Amalgamated* Union of Engineering Workers, who will recommend a rejection

The offer would give wage increases of between £13.24 to £17.28. The union has asked for an increase of around 40 per cent. *Negotiations have* ben going on since March, when last year's wage agreement expired.

Perkins, the world's largest diesel engine manufacturer, has seen a severe downturn in its export markets which account *for around 85 per cent of pro*duction. The company said last night that the major reason for the downturn was the slump in the U.S. agricultural machinery market.

● University lecturers and pro*fessors from all over Britain* are to meet in London this week-end to decide their next move in the battle to win Government approval for a 19 per cent pay rise.

● Shop stewards of the General and Municipal Workers Union *in the Pilkington Group* are to recommend a pay and conditions package to their 7,300 members which established an £84.14 minimum rate, and gives a 19 per cent increase to the top grade.

Finniston 'failure on pay'

By Philip Bassett, Labour Staff

THE FINNISTON inquiry into the engineering profession sidestepped the crucial question of pay which is at the root of the profession's lack of status, says TASS, the white-collar section of the engineering workers' union.

The union has told the Department of Industry the inquiry failed to deal "at all adequately" with the problem of engineers' pay despite the fact that this more than any other issue concerned the majority of qualified engineers.

The report made no concrete proposals on pay even *though* mechanical engineers ranked only 12th in the league table of average earnings.

The union generally welcomes the report, but is doubtful about some of its recommendations which it says may merely create a new bureaucracy no more abolt to secure radical changes than previous proposals.

Nalgo 'expects 13% offer'

BY NICK GARNETT, LABOUR STAFF

LEADERS OF the 535,000 local authority white collar staff believe, after informal talks, that the employers are likely to offer no more than 12 or 13 per cent in this year's wage negotiations.

Many authorities have been pressingfi for a settlement below these figures, and soe have indicated that they have insufficient money to exceed a relatively small single figure deal.

The employers' secretariat has *just completed a survey of local* authority attitudes to this year's wage talks.

This is understod to have resulted in suggestions for settlement targets ranging from a few per cent to about 15 per cent. The settlement is due on July 1.

Officials of the National and Local Government Officers Association, which represents the mapority of town hall staff, think they may be faced with calling some form of industrial action this year. They also believe there is some prospect *that employers may be tempted* to make at least an initial offer within single figures.

The union is seeking a minimum 20 per cent rise, a 35 hour week, a £70 minimum adult rate, and extra holidays.

It has been given a very firm impression that there is almost no sympathy among the authorities for a reduction in hours or the £70 minimum rate. There is more hope for extra leave.

The unions are likely to wait for the results of arbitration on teachers pay, due in July, be*fore committing* themselves.

● Mr. John Meek, in his presidential speech to the conference, accused the Government of a sustained campaign to denigrate the public sector through staff and service cuts.

"They are either mistaken or unproven, and seem to be based purely on a blind dogmatic dislike of the public sector, a policy which of course pleases the Government's friends in the City, but which will only push the economy further and further into recession," he said.

The conference has before it today a motion instructing the union's executive to promote industrial action to fight cuts in services whether or not there is a threat to NALGO jobs.

THE NURSES' DISPUTE

Health service staff join the fight against cash limits

BY PAULINE CLARK, LABOUR STAFF

THE NEXT two or three weeks should decide whether the Government is to face a major confrontation with 70 per cent of health service employees over its 14 per cent limit on wage increases.

Britain's 490,000 nurses and midwives have so far led the fight against the health service cash limits.

But just as they show signs of losing ground in the face of Government resistance to what it regards as inflationary wage demands, their ranks are being strengthened by other groups.

These include 110,000 hospital administrators and clerical staff, who have already talked of industrial action, and 37,000 radiographers, physiotherapist and other paramedical staff, who recently flexed their industrial muscle in a row over a Clegg comparability award.

The 30,000 scientific technical and laboratory staff may also soon join the fray.

All the health service groups, are united by a common determination to resist the Government's strict application of the 14 per cent cash limit and its efforts to do away with traditional pay comparators.

The unions insist that they are not just *indulging in the* politics of envy.

But the nurses admit their anger over pay has been inflamed by the 18.7 per cent award to doctors and they remain unimpressed by the Government's justification of it.

The Government says it was committed to accepting the recommendations of the doctors and dentists pay review body when it took office.

It also argues that doctors' and nurses' pay increases have been almost *level at 66 per cent* and 65.5 per cent respectively since 1978.

The nurses in return accuse the Government of using "misleading" figures.

Mr. David Williams, assistant general secretary of COHSE, says the Government has assumed that all nurses have received a 25 per cent increase from their recent Clegg comparability award.

But only one grade, representing 16 per cent of the profession, received that amount.

The nurses also contend that the 37½ hour week, which Mrs. Thatcher says is worth an extra £116m, should be treated as a matter of right because the Clegg awards were made on that basis.

They say they have lost out in cash terms because the 37½ hour week should have been introduced retrospectively to April last year and because those who work 40 hours for the rest of this year will only be paid on *plain-time rates.*

The verbal crossfire between Government and unions, however, has tended to cloud the real problem among nurses which is that they see themselves as badly paid in relation to other public sector workers.

A ward sister is paid a maximum of £6,024 a year, a Staff Nurse (State Registered) £4,107, and a fully trained State Enrolled Nurse £3,659.

Such levels of pay, say nurses, take no account of responsibility and unsocial hours

The health administrators and clerks, meanwhile, say their fight against cash limits is based on the need to protect their pay in the future.

They are angry that a 14 per cent settlement would *break a* 20-year link with certain Civil Service grades which received pay rises of about 18 per cent this year.

Hospital scientific and technical staff could, the union leaders believe, be faced with a similar problem *if they are* offered 14 per cent. It would give them less than Civil Service scientific officers with whom they are traditionally linked.

The Pay Research Unit findings on Civil Service scientists' pay are expected to be known shortly.

Radiographers claim they have fared worse than nurses since 1978.

While the nurses' pay increased by 65.5 per cent, radiographers pay went up by only 43 per cent, including a 15.4 per cent Clegg award earlier this spring.

This group is seeking an urgent meeting with Dr. Gerard Vaughan, Health Minister.

The nurses' battle is likely to influence the direction and outcome of other health service pay battles this summer.

The prospect of a major campaign by nurses has already dwindled following the Royal *College of Nursing decision last* week not to support industrial action.

And nurses' negotiators are still privately discussing a deal within 14 per cent in spite of their earlier announcement that they would not agree to less than the doctors received.

Industry regional aid may be streamlined

By Robin Reeves

A HINT that the Government may streamline the procedures for regional aid to industry was given by Mr. Nicholas Edwards, Secretary of State for Wales, in the Commons yesterday.

Appearing before the Welsh Select Committee's inquiry into the Welsh jobs crisis, Mr. Edwards said he intended to examine all the evidence on the subject submitted to the committee to see whether regional aid applications from companies might best be channelled through a single body.

At present, various types of regional aid are handled by three separate bodies—the Department of Industry's Cardiff office, the Welsh Development Agency and the Welsh Office.

Nicholas Edwards: examining evidence

Mr. Leo Abse, the committee's chairman, said they had received repeated complaints about the present arrangements. It appeared to create unnecessary duplication of effort and spread of bureaucracy.

Mr. Edwards refused to be drawn on a figure for future Welsh unemployment stemming from the steel industry rundown.

The suggestion from a Welsh Office official that 125,000 (compared with 98,000 at present) was within the realms of possibility could not be described as a firm forecast he said.

PM defends effects of economic policy

BY PHILIP RAWSTORNE

MRS. MARGARET THATCHER faced a concerted Labour attack in the Commons yesterday over the effects of the Government's economic policies on industry.

The Prime Minister was noisily jeered and derided as she insisted that "lower pay settlements now will mean lower unemployment later."

Mr. Barry Sheerman (L, Huddersfield E) asked what part of the Government's "magic formula" was missing in West Yorkshire.

Industry there was doing everything right, he declared—"They are hard working, highly skilled, have a history of accepting comparatively low wage rates, export most of the things they produce."

But, he added, factories were closing, jobs were disappearing and "a hopeless feeling of dismay" was creeping over the area.

"If factories were closing it was because they were unable to compete, Mrs. Thatcher retorted.

"Why? why?" Labour MPs shouted.

"One of the reasons is that the level of productivity is way, way below that of other countries," said Mrs. Thatcher.

Mr. John Maxton (Lab Cathcart) pointed out that the Weir Group, a Scottish engineering company with a fine export and investment record, had just announced 1,000 redundancies

When high inflation, high interest rates and exchange rates affected such a company, it was time the Government changed its policies, he suggested.

"If a company is having to declare redundancies, it is obviously unable to sell its products in the market," Mrs. Thatcher replied, amid Labour derision.

Many companies were maintaining high export levels, she maintained.

Mr. Jack Straw (L, Blackburn) said that the EEC Commission forecast that Britain's economy would be worse this year than those of any of its European partners.

"Do you think this dismal performance has anything to do with your policies?" he demanded.

"If not, what scapegoat are you going to use to explain it?"

The Prime Minister said that the only alternatives to the Government's policies were an increase in income tax, an increase in value-added tax, borrowing more money, or printing more. "I reject all four," she declared.

Sir John Eden (C, BournemouthW.) came to Mrs. Thatcher's support as Labour MPs continued their attack.

He urged her to stick to her policies. "Is it not clear that desired changes and improvements in economic performance cannot be achieved without causing some temporary difficulty," he said.

Mrs. Thatcher agreed. "Lower pay settlements now will mean lower unemployment later."

Mr. Guy Barnett (L., Greenwich) inquired: "Do you not think that the number of redundancies and closures taking place have anything whatever to do with bank rate?"

Bank rate and interest rates had been high for nearly a year, Mrs. Thatcher responded.

"But the exports from this country have kept up extremely well and many companies have increased productivity."

Unless companies achieved increased productivity they would not be able to compete efficiently.

● The Prime Minister yesterday rejected an appeal from Scots Labour MPs to stop the sale of the NEB's 50 per cent stake in Ferranti.

Mr. Gavin Strang (L, Edinburgh E.) said in the Commons that the company's management and workforce were united in opposition to the sale.

VAT arrears total £47m

BY IVOR OWEN

ARREARS OF VAT outstanding at the end of April totalled £47.1m, Mr. Peter Rees, Treasury Minister of State, disclosed last night.

He announced this figure in the course of defending Government proposals for stiffer penalties for late payment of VAT or failure to submit a VAT return against attack from Tory backbenchers when debate on the Finance Bill was resumed in a Commons standing committee.

Particular concern was expressed about a provision enabling the present £10 a day penalty for failure to pay VAT to be increased to half of 1 per cent of the tax due—equivalent to an annual interest charge of 182½ per cent.

Mr. Rees stressed that this was a maximum penalty which would not apply automatically, but only as a result of a decision by the courts.

He assured Mr. James Hill (C., Southampton, Test), who expressed anxiety about the effect of the new penalties on small businesses, that only major companies were likely to be affected.

The Minister explained that on the best evidence available, 85 per cent of registered traders would not be affected by the stiffer penalties.

This was because their liability to VAT was such that it would always be more appropriate for the £10 a day penalty, rather than half per cent of the tax due, to be applied.

Traders whose VAT payments amounted to less than £2,000 a quarter were unlikely to be affected by the new provision.

Mr. Rees emphasised that with the yield from VAT amounting to £8.5bn a year, it was important from the point of view of Government cashflow that the tax should be paid promptly.

Illustrating the delays which took place in the submission of VAT returns, he pointed out that at the end of January only just over 18 per cent were received by the due date.

By February, 51 per cent had been received by the due date, but the figure had gone back to just over 21 per cent in March.

With Tory backbenchers continuing to express doubts about the justification for such "draconian" measures, Mr. Rees promised that the impact of the new penalties would be carefully monitored.

Tenerife aircraft 'made wrong turn'

The Dan-Air Boeing 727 which crashed in April at Tenerife killing 146 — mainly Manchester holidaymakers — turned in the wrong direction before hitting a mountain, Mr. John Nott, Trade Secretary, told the Commons yesterday.

The aircraft commander failed in his expressed intention of entering a "holding pattern."

Later, Mr. Nott said the plane did not follow the instructions it was given.

During the exchanges which followed, Mr. Nott's statement, a number of MPs expressed concern at the lack of local surveillance radar at Los Rodeos Airport.

But Mr. Nott explained that many airports used by British airlines were without this form of local radar.

If Britain was unilaterally to demand it at all airports used by British aircraft, this could bring serious consequences. He advised MPs to leave this in the hands of the experts and the Civil Aviation Authority.

Mr. Nott repeatedly stressed that his statement was only of an interim nature. He told MPs: "I must be very careful what I say."

Mr. John Smith, Opposition Trade Secretary, pointed out that many thousands of British holiday makers would be travelling to the area in the coming months.

Replying to Mr. Smith's detailed questions, the Trade Secretary confirmed that the aircraft and "turned to the left towards the sea when it should have gone on to a new heading. It did not turn in the correct direction."

Mr. Winston Churchill (C, Stretford), a pilot himself, said the absence of local surveillance radar at Tenerife airport was a "very grave deficiency."

The accident could have been avoided if such radar had been installed, even if the pilot had not properly complied with the initial air traffic control instructions, he said.

Mr. Nott replied that there was surveillance radar at Los Palmas, which covered the while island, but there was no local radar at Los Rodeos.

Mr. Nott said this was not dissimilar to the situation in many airports

Heath calls for more co-operation in West

BY RICHARD EVANS, LOBBY EDITOR

MR. EDWARD HEATH warned yesterday that if industrialised consumers did not act in concert in the field of energy, international oil supplies would become still less predictable and the world economy would slide further into recession.

In a speech at the University of Strathclyde, Glasgow, the former Conservative Prime Minister argued that the need for the West to manage its affairs on a joint basis in many spheres was a relatively new task in which it had little experience and even less success.

"Yet our ability to succeed in this task will determine whether the economic tide in the eighties will come to favour us or to engulf us," he declared.

Mr. Heath believed the world economic situation was now characterised by a dangerous combination of five factors—low economic growth, high inflation, high unemployment, high interest rates and high energy prices. A combination of all five of these factors was unprecedented in economic history.

It was not possible, in his view, to overstate the importance of taking further steps to promote the responsiveness of the supply side of the economy.

"No efforts by Government to manipulate the demand side of the economy will successfully reduce inflation and improve growth unless they are accompanied by a sustained battery of policies to facilitate and encourage the adaptation of businesses to new markets and technologies."

He believed that each member state of the European Community should take urgent steps to foster greater understanding of the conditions and customs of foreign markets, both within and outside the Common Market.

This was a responsibility both of individual companies and industries and of business schools and public industrial training schemes.

Another fundamental problem was the increasingly serious monetary disorder in the world. An era had been entered in which the responsibility for managing the world's monetary arrangements would have to be shared between its major participants.

The American economy was no longer large enough to underwrite the stability of a world monetary system based almost exclusively on the $.

Mr. Heath believed that major progress would have to be made in the second stage of development of the European Monetary System.

"It is my hope that by this second stage Britain will have found it technically feasible to join the EMS so that she will be able to have a major voice in determining the future development of a world monetary system."

Mr. Heath advocated a redoubling of efforts to achieve a solution to the problem of the Palestinians in order to ensure stability in the Middle East. He believed the EEC should play a role in finding a solution which was both active and united.

It was in the interests of the entire Western world that Europe should not delay in pursuing this role, otherwise there was the danger that the current decline in the momentum of negotiation over the Palestinian problem would rapidly unsettle the entire Middle East.

Water meters plan for homes

BY ELINOR GOODMAN, LOBBY STAFF

THE possibility of metering domestic users for water has been revived again as part of a Departmental review of Britain's water industry.

Another idea being mooted is that a new level of consumer representation may be necessary to make the industry more responsive to customer opinion.

The review is being carried out by Ministers at the Department of Environment against a background of concern about rising water prices. There is also continued anxiety about the way in which demand for water looks like outstripping supply in the future, unless domestic customers reduce their consumption.

For the moment, the review is being carried out in the context of what action can be taken without resorting to major new legislation.

The Government has already referred the biggest water authority, the Severn Trent Water Authority, to the Monopolies Commission because of complaints about the sudden rise in its prices.

Other water authorities are expected to be referred to the commission shortly. As a result of these inquiries, recommendations may be made about the structure of the industry. It was last reorganised seven years ago, when the responsibility for water supply was taken away from the local authorities and given to 10 new water authorities.

The Monopolies Commission is not expected to report for some time. In the meantime, Mr. Tom King, the Planning Minister, is seeing the authorities chief executives.

The worry seems to be that, at present, consumers are not adequately represented and that the local authority representatives who have a majority of seats on the water boards are not making their presence felt. For this reason, Ministers are wondering whether a new consumer body should be set up to represent consumer interests.

The difficulty is that it would appear to run counter to the Government's policy of cutting back on quangoes.

The other aspect of the review is how to encourage a more prudent use of water by householders. At present, domestic users are charged a sum related to the rateable value of the house, which does not necessarily have anything to do with consumption.

The Department of Environment has considered introducing meters for water before, but until now this has been regarded as prohibitively expensive.

Rough estimates put the figure for installing meters in every house at £1.5bn. On top of that would be the cost of reading them.

But Ministers have asked officials to see whether, with the development of the microchip, a more sophisticated kind of consumption gauge might be introduced.

London Clearing Banks' balances

as at May 21, 1980

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Coutts, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1. AGGREGATE BALANCES

	Total outstanding £m	£m	Change on month £m	£m
LIABILITIES				
Sterling deposits:				
UK banking sector	7,971		+380	
UK private sector	35,326		+188	
UK public sector	615		+146	
Overseas residents	4,054		+ 84	
Certificates of deposit	2,070		+ 70	
		50,035		+ 868
of which: Sight		19,389		− 138
Time (inc. CD's)		30,646		+1,006
Foreign currency deposits:				
UK banking sector	7,013		+431	
Other UK residents	1,620		+ 78	
Overseas residents	16,824		+109	
Certificates of deposit	1,401		− 2	
		26,857		+ 616
Total deposits		76,893		+1,484
Other liabilities*		12,040		− 255
TOTAL LIABILITIES		88,932		+1,229
ASSETS				
Sterling				
Cash and balances with Bank of England		1,366		+ 28
Market loans:				
Discount market	2,617		− 47	
UK banks	11,221		+490	
Certificates of deposit	1,634		+ 51	
Local authorities	894		− 28	
Other	427		+ 6	
		16,793		+ 473
Bills:				
Treasury bills	550		+ 84	
Other bills	1,089		+ 62	
		1,639		+ 146
Special deposits with Bank of England		213		+ 1
Investments:				
British Government stocks	869		− 41	
Other	1,801		+ 5	
		2,670		− 36
Advances:				
UK private sector	27,316		+518	
UK public sector	434		−181	
Overseas residents	3,080		− 23	
		30,831		+ 314
Other sterling assets*		7,676		− 348
Foreign currencies				
Market loans:				
UK banks and discount market	6,408		+342	
Certificates of deposit	149		− 5	
Other	11,437		+279	
		17,994		+ 617
Bills		28		− 4
Advances:				
UK private sector	2,065		− 12	
UK public sector	847		− 47	
Overseas residents	5,434		+159	
		8,347		+ 101
Other foreign currency assets*		1,376		− 63
TOTAL ASSETS		88,932		+1,229
Acceptances		1,378		− 65

* Includes items in suspense and in transit.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

	TOTAL Out-standing £m	TOTAL Change on month £m	BARCLAYS Out-standing £m	BARCLAYS Change on month £m	LLOYDS Out-standing £m	LLOYDS Change on month £m	MIDLAND Out-standing £m	MIDLAND Change on month £m	NATIONAL WESTMINSTER Out-standing £m	NATIONAL WESTMINSTER Change on month £m	WILLIAMS & GLYN'S Out-standing £m	WILLIAMS & GLYN'S Change on month £m
LIABILITIES												
Total deposits	76,893	+1,484	21,446	+341	14,126	+ 21	15,110	+159	24,023	+884	2,188	+ 79
ASSETS												
Cash and balances with Bank of England	1,366	+ 28	418	− 6	315	+105	279	− 3	299	− 80	55	+ 12
Market loans:												
UK banks and discount market	20,245	+786	5,654	+ 42	3,581	−201	2,899	+229	7,621	+708	491	+ 7
Other	14,541	+304	4,020	+ 66	3,533	+ 34	2,222	−114	4,398	+273	367	+ 45
Bills	1,667	+142	359	+ 24	223	+ 17	545	+ 41	500	+ 57	40	+ 3
British Government stocks	869	− 41	157	+ 47	127	+ 4	336	− 8	186	− 84	63	—
Advances	39,178	+415	11,295	+159	6,476	+ 97	8,825	+ 51	11,225	+ 82	1,256	+ 25

TABLE 3. CREDIT CONTROL INFORMATION (Parent banks only)

	TOTAL Out-standing	TOTAL Change on month	BARCLAYS Out-standing	BARCLAYS Change on month	LLOYDS Out-standing	LLOYDS Change on month	MIDLAND Out-standing	MIDLAND Change on month	NATIONAL WESTMINSTER Out-standing	NATIONAL WESTMINSTER Change on month	WILLIAMS & GLYN'S Out-standing	WILLIAMS & GLYN'S Change on month
Eligible liabilities	30,863	+128	9,490	+190	5,100	+ 17	7,262	− 74	7,949	− 26	1,071	+ 21
Reserve assets	3,942	+ 12	1,227	+ 23	650	+ 13	923	+ 1	1,003	− 30	140	+ 4
Reserve ratio (%)	12.8	—	12.9	—	12.7	+ 0.2	12.7	+ 0.1	12.6	− 0.4	13.0	+ 0.1

Banking figures

(as table 4 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

1—Banks

	May 21 1980 £m	Change on month £m
Eligible liabilities		
UK banks		
London clearing banks	31,022	+119
Scottish clearing banks	3,338	—
Northern Ireland banks	1,176	+ 22
Accepting houses	2,410	+ 69
Other	7,587	+317
Overseas banks		
American banks	5,079	+274
Japanese banks	380	− 37
Other overseas banks	3,826	+108
Consortium banks	404	+ 48
Total eligible liabilities*	55,221	+919
Reserve assets		
UK banks		
London clearing banks	3,963	+ 7
Scottish clearing banks	436	+ 3
Northern Ireland banks	165	− 2
Accepting houses	330	+ 10
Other	995	+ 21
Overseas banks		
American banks	661	+ 12
Japanese banks	54	− 3
Other overseas banks	565	+ 35
Consortium banks	63	+ 6
Total reserve assets	7,232	+ 90
Constitution of total reserve assets		
Balances with Bank of England	456	+ 40
Money at call:		
Discount market	3,641	+ 39
Other	276	+ 10
UK, Northern Ireland Treasury Bills	1,083	+ 18
Other bills:		
Local authority	358	+ 58
Commercial	1,021	+ 3
British Government stocks with one-year or less to final maturity	397	− 87
Other	—	—
Total reserve assets	7,232	+ 90
Ratios %		
UK banks		
London clearing banks	12.8	—
Scottish clearing banks	13.1	—
Northern Ireland banks	14.0	− 0.4
Accepting houses	13.7	—
Other	13.1	− 0.6
Overseas banks		
American banks	13.0	− 0.5
Japanese banks	14.2	+ 0.5
Other overseas banks	14.8	+ 0.5
Consortium banks	15.5	—
Combined ratio	13.1	− 0.1
	£m	£m
N.B.—Government stock holdings with more than one year but less than 18 months to final maturity amounted to	106	+ 28
2—Finance houses		
Eligible liabilities	517	+ 18
Reserve assets	53.3	+ 2.1
Ratio (%)	10.3	—

Special deposits at May 21 were nil (unchanged) for banks and nil (unchanged) for finance houses. * Interest-bearing eligible liabilities were £37,575 (up £1,065m).

No consumer directors for state industries

BY ELINOR GOODMAN, LOBBY STAFF

MRS. SALLY OPPENHEIM, the Minister of Consumer Affairs, yesterday ruled out the idea of consumer directors for the nationalised industries. The tone of her speech seems bound to raise hackles in the consumer movement for the way in which she appeared to brand those who, like the National Consumer Council, called for such appointments as misguided social democrats—though it may go down well on the Tory benches.

Sally Oppenheim: delusion

The idea, he said, was a "knee jerk response we could do without," and just another symptom of the "comforting delusion" that fundamental problems could be resolved by the appointment of "so-called representatives."

Mrs. Oppenheim' Department is in the middle of a review of the whole question of consumer representation in the public sector.

The idea of consumer directors was one of a number put forward by the Government—financed National Consumer Council whose relations with Mrs. Oppenheim have not always been easy.

It was also backed before the election by the sold all-party Select Committee on Nationalised Industries.

But, speaking last night at the annual dinner of the National TV Rental Association, Mrs. Oppenheim said there was nothing wrong with nationalised industries that consumer directors could put right.

No one, she said, could blame consumer activists for wanting to increase their own power and influence if they genuinely believed their proposals were right. But the political pressure for consumer directors required the most critical examination: "They may be in their infancy but their significance is considerable."

Mrs. Oppenheim, who was jeered at the NCC's last conference when she dismissed the council's ambitions for a larger role in economic decision-making, said the pressure came from the same background as those who favoured consumer representation on the macro-economic level.

This background was the so-called moderate wing of the Labour Party.

Mrs. Oppenheim emphasised, however, that the Government was determined to tackle the problems of the nationalised industries. The Competition Act, she pointed out, gave the Monopolies Commission the power to investigate the efficiency and costs of nationalised industries. In future, she promised, this provision would be of great value to consumers generally.

Liberals warn off Jenkins

BY RICHARD EVANS, LOBBY EDITOR

MR. DAVID STEEL, Liberal Leader, was given clear warnings by his colleagues yesterday that he should not become too involved with Mr. Roy Jenkins's proposed new Centre party.

There is a strong feeling in Liberal ranks that Mr. Jenkins should be welcomed if he wishes to join the Liberals, but he should not be allowed to make use of the Party through electoral pacts.

Mr. Cyril Smith (Lib., Rochdale), said he would welcome Mr. Jenkins into the Party with open arms, but he thought any electoral arrangement would be wholly undesirable and history proved that point.

"The best people to bring about a Liberal society are Liberals, and Mr. Jenkins should stop pussyfooting and join up with us now," Mr. Smith declared in a speech at Cheltenham.

Mr. David Alton (Lib., Liverpool, Edge Hill), said in his constituency that the traditional role of Liberals, to provide a counter-balance to the dogma and doctrinaire views of Right and Left wing extremists, remained as important today as ever.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Why takeovers must follow a new code

Richard Lambert talks to the chairman of the American SEC, who is unhappy about present trends in company acquisitions

CURRENT trends *in takeover* activity will not be acceptable to society at large over the long term. Either companies will voluntarily change their approach to buying and selling one another, or else sooner or later governments will introduce laws to control these activities. Such legislation would probably be arbitrary and unfair, and would tend to be designed for political rather than economic purposes.

This is the view of Harold Williams, chairman of the U.S. Securities and Exchange Commission. His arguments have been developed in a north American context, but concern issues which are equally relevant in the UK and other developed capitalist economies.

Because shareholders no longer think of themselves as proprietors but as portfolio investors there has been a diminishing recognition of the fact that ownership of shares involves ownership of the underlying assets *of a company*. This has resulted from the growing importance of instituional investors in most stock markets around the world, and also from the concentration of economic power within very large corporations. Even the biggest shareholder in General Motors cannot feel much personal identification with the performance of a particular factory or division.

The trouble with this, says *Williams*, is that the uncoupling of shares from their underlying assets has not yet been properly recognised in law or practice. Ownership of property brings with it *responsibilities* as well as rights. But many shareholders seem to have little concern for the long-term interests of a business, its employees and customers. They are often quite prepared to sell *out to anyone who is willing to* offer them a premium over the recent stock market price.

Constraints by law

In this sense, they are no more than speculators in the short-term income stream of the business.

Williams recognises that the possibility of a takeover serves as a healthy discipline for management—which is why he does not want to see artificial constraints on bids imposed by law. But he describes the notion *that a takeover should succeed* or fail solely on the stock market's transient view of the adequacy of an offeror's premium as "particularly unsatisfactory."

Such an idea ignores major questions about the increasing concentration of economic power through takeovers and the appropriate use of corporate assets in a period of increasing economic competition. When the shares of so many companies are selling for far less than the asset value, it can often seem a lot easier and less risky to look for takeover targets than for green field investment *opportunities*.

"The immediate results of a takeover are particularly attrac*tive to a corporate executive* who seeks the ego satisfaction, prestige and remuneration associated with the size and appearance of growth," Williams states firmly.

But businesses are more than just the aggregate of their tangible assets. And employees, suppliers, customers, communi*ties and society at large have a* legitimate interest in their development. It is not satisfactory that they should change hands with little more concern about the consequences than in a game of Monopoly.

Maintain its independence

Some investing institutions are coming around to Mr. Williams' view that the owner ship of a business should not be determined by price alone. For instance, the Prudential Corporation, a major force in the UK equity market, said in its recent annual report that "where a bid is not recommended by a board of a well-managed company, our inclina*tion is to support a company's* desire to maintain its independence."

But the SEC chairman believes that the only player on the corporate scene who is properly equipped to assess all *the relevant factors in a take*over is the independent non-executive director. And he thinks that if unsatisfactory legislation is to be avoided, the non-executive director will have to play a much more prominent role in future takeover battles, both from the point of view of the bidder and of the intended victim.

On the bidder's board, non-executive directors should not *be prepared to accept undocu* mented rhetoric about synergy or the benefits of improved management and financial controls, which are so frequently promised in bids and which so rarely materialise. They should *assess management's previous* acquisition performance, and form a reasoned judgment about the cash worth of a particular target.

They should be especially rigorous about querying the economic justification for paying a big premium over the ruling stock market price. Mr. Williams thinks that the higher this premium, the more likely it is that management is on *nothing more than an ego trip.*

He says that non-executive directors also have a responsibility to consider the available *alternatives. It might be* cheaper all round, for instance, to hand excess cash back to shareholders and let them make their own decisions about diversification. After all, they do not have to pay vast premiums over market values if they do it themselves.

Too much at stake

As for the target company's board, Mr. Williams says that executive directors cannot be presumed to be acting solely in the corporation's interests when it comes to assessing a bid. They can have just too much at stake, in terms of finance and personal power, to be completely objective. So *he would like to see* boards of directors delegating to special committees of non-executive directors the responsibility for investigating offers, and for recommending the appropriate response.

Of course, the views of the executive directors should be taken into account when making the final decision about whether to accept or reject. But if they clash with the recommendations of their independent colleagues, *the burden should be on them* to demonstrate that their ideas square with the best interests of the business as a whole.

Such a proposal implies pretty formidable strengths for non-executive directors. Mr. Williams thinks that they should at least be in an outright majority on company boards. *Ideally*, he says, they should have two-thirds or three-quarters of the board seats.

The question is whether independent directors can realistically be expected to play such a dominant role in so crucial a part of corporate life as a takeover. Maybe it could happen in the U.S., where the threat of legal actions by shareholders is something which management ignores at its peril. Because of the heavy legal burdens which are involved, people are much less willing than they might have been in the past to take on a non-executive appointment as a favour to a friend.

But these disciplines do not apply with anything like the same force in the UK, and the number of occasions on which non-executive directors have made their voice heard in takeover bids here can be counted on *the fingers of one hand.*

HAROLD WILLIAMS, who is 52, was trained as a lawyer and joined the legal staff of Hunt Foods as a tax counsel in 1955. In 1968, when Hunt was merged with Canada Dry and McCall Corp. into Norton Simon, he emerged as chairman of the new company's finance committee, and the following year he also became chairman of the Board.

In 1970, Mr. Williams was appointed Dean of the Graduate School of Management at UCLA. He moved to the SEC in 1977 at a low point in the agency's history —there had been five chair*men in the space of six years* —and he set about America's financial community with some gusto. His approach has become rather more gentle in the past year or two; "We have their attention now," he explains.

Subsidiaries—are they under parental control?

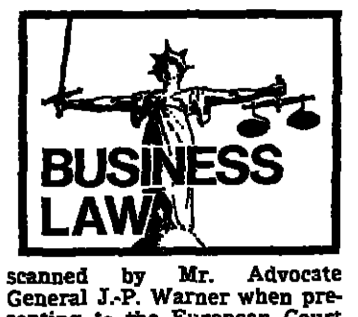
BY A. H. HERMANN

THE RECENT judgment by which the House of Lords decided that Shell and British Petroleum could not be forced by Lonrho, the large industrial and trading group, to disclose documents held by their subsidiaries, touched upon an area of *business law which is* as important to management, particularly in large groups of companies, as it is uncertain.

It concerns the relationship between a parent and its subsidiaries. The judgment ruled that the documents held by the subsidiaries of Shell and BP were not "in the power" of *the parent companies*. The question arises: is it still true that parent and subsidiaries have two separate legal personalities, and is the parent (which is either the majority or the only shareholder) liable only to the *limit of* the invested share capital and not beyond it?

Even those that believe that the doctrine of separate entity should be sacrosanct cannot close their eyes to the fact that the corporate veil is being *pierced so often—for the pro*tection of minority shareholders, creditors, tax men, employees and anti-trusters—that it is full of holes.

Indeed, there seem to be more holes than fabric in the corporate veil. *The Lords judg*ment tends to darn one of the emerging holes, but does not deal with the general problem. Their Lordships were not concerned with any other consequences of the relationship between parent and subsidiary companies than those which affect the duty of a parent company to show—in the course of litigation—documents held by the subsidiary.



A much wider horizon was scanned by Mr. Advocate General J.-P. Warner when presenting to the European Court his opinion in the case of *Commercial Solvents v. EC Commission.* He said on that occasion that common experience justifies the presumption that a subsidiary will act in accordance *with the wishes of its parent*, and that unless this presumption is rebutted the parent and the subsidiary should be treated as a single enterprise for the purposes of the EEC rules of competition.

The tendency to do so, and not only for the purpose of competition rules, is now fairly widespread. It has penetrated the tax law of many countries, including that of the UK. The U.S. even requires foreign *subsidiaries of its* companies to comply with the public or foreign policy requirements of the U.S. The liability of the parent to creditors and minority shareholders of the subsidiary has probably been best defined in Germany, but not only there.

The general trend is well evident in the EEC proposal for the creation of a new type of "European company." *This is* a very old proposal, last amended in 1975, and still awaiting approval by the Council. The business community has shown no great urge to start establishing European companies, but a lot of work has gone into the proposal, and it is therefore of some interest that it adopts the principle that a company forming part of a large group must contribute to the overall benefit of that group even if this is against its own interests.

The adoption of this principle has *important implications*. According to Article 240 c of the proposed statute of the European company, the Board of a subsidiary company would not be liable for damages resulting from their implementation *of instructions received from* the parent company — the Statute would give the parent company the power to issue mandatory instructions to the subsidiary.

The reverse side of the coin is *that the statute provides (in* Article 240 a, b) that the members of the Board of the parent company are liable to the subsidiary if they have not exercised the care of a conscientious manager in issuing their instructions. If a company is no longer operated in its own interests its creditors may suffer. The statute pro*vides, therefore, for joint* liability of the parent company for the debts of the subsidiary.

The statute also provides for a complicated system for the protection of minority shareholders who may be entitled to annual compensation *payments* if they do not wish to leave the dependent company. On the other hand, if the controlling company has acquired at least 90 per cent of the shares, it can require the minority share*holders to sell it their shares* for cash or in exchange for the shares of the parent. These provisions reflect to a large extent the protection of creditors and minority shareholders included in the German *Konzerngesetz (Group of Com*panies Acts).

These EEC proposals seem to be a very far cry from the doctrine of limited liability as formulated by English courts at the end of the 19th century. However, *there is no funda*mental contradiction between the two approaches. The doctrine of limited liability was designed to protect individual, mostly private, shareholders of modest means and to enable *them to enter into business* ventures with a limited personal liability.

By contrast the present prob*lems are created by multina*tional companies who appear as shareholders financially much more powerful than the companies which they control. The English courts are not blind to the change. In 1969 Lord Den*ning*, M.R. *said*: "The *doc*trine. . . has often been supposed to cast a veil over the personality of a limited company through which the courts cannot see. . . (but the courts) can and often do pull off the mask. They look to see what really lies behind."

As a result there are important exceptions to the general rule that the obligations and liabilities of a company are not transmitted to its shareholders, and that the company *is only* liable to the extent of its own assets. The parent company, which is a shareholder of the subsidiary, will be liable for obligations which the subsidiary incurred while acting as its agent.

And where the subsidiary is a creature of the parent the courts are likely to hold that there was an agency relationship. While this gives some protection to creditors, minority shareholders in a *subsidiary* have no greater rights than minority shareholders in any other independent companies.

Though in cases of insolvency the general rule is that parent companies and their subsidiaries will be treated in the UK as separate legal entities, a parent company might be included in charges of conspiracy to defraud, along with the directors of the subsidiary or of the parent. A parent company controlling a subsidiary through its nominated directors could be held to be a party to the fraudulent carrying on of busi*ness of the insolvent subsidiary.*

In practice, proceedings would probably be taken against the parent company's directors, but the parent company itself might have civil liability under Section 332 of the Companies Act 1948. The subsidiary would find it more difficult to pursue claims against a parent company carrying on business abroad; but the directors of the foreign parent might, if within UK jurisdiction, have a criminal liability in connection with any offences committed by the parent company, for example, by aiding or conspiracy in fraudulent trading.

While English law moves only reluctantly towards recognition of the parent's responsibilities towards creditors and minority shareholders of subsidiaries, it is much more willing to help the taxman.

There are special provisions which take account of the *existence of the group in* respect of advanced corporation tax, allowances on capital expenditure, and payments of interest. A group of companies is generally treated as a single unit for the purpose of corpora*tion tax and capital gains.*

There is also a number of provisions to discourage tax avoidance and evasion by groups of companies, and here we complete a full circle leading back to the Lords' judg*ment on the documents required* by Lonrho from the Shell and BP subsidiaries. By contrast, with the denial of these documents to Lonrho, HM Inspector of Taxes may require a parent company resident in the UK to produce information about transfer prices from a subsidiary company. *Stores v. CIR.*

LOMBARD

Waiting for MLR day

BY PETER RIDDELL

"The stocks were sold; the Press was squared;
The Middle Class was quite prepared."

Hilaire Belloc,
Cautionary Tales.

And still we wait. The only question now is not whether but when Minimum Lending Rate will be cut, and by how much. The City is in a state of eager anticipation and the Government appeared to be clearing the decks last week by announcing the unwinding of much of its special help to the markets.

Lively debate

Yet the decision is far from clearcut and the authorities, in all their splendid multiplicity, are engaged in a lively debate on the issue. Confusion has been increased by a number of ambiguous ministerial statements. These have provoked the anger of some of the City's more "monetarist" commentators.

Penetrating this fog is not easy but here goes. The Government does, of course, want to reduce MLR as soon as possible for obvious political and economic reasons. A cut can be presented as an indicator of success in reducing monetary growth to within the target range. A cut also may take some of the upward pressure off sterling.

The advocates of a cut now argue that sterling M3 is rising at an annual rate around the top of the 7 to 11 per cent target range after allowing for month-to-month fluctuations. Consequently, since the initial objective has been achieved, MLR should be cut; as Sir Geoffrey Howe pointed out last Friday, lower interest rates are an important element in the Government's strategy and imply no change in policy.

But, argue the voices of caution, you should look at the components of monetary growth where the outlook is less reassuring. The public sector's financial position has been unusually favourable until recently (because of the bunching of various receipts) but is now back in deficit. Moreover, as Sir Geoffrey pointed out in late May, "the increase in bank lending is still being sustained. We wish to see firm evidence of a reduction on that front before we can be entirely confident about the timing of interest rates." Remarks like this have led some analysts to wonder whether the Government has abandoned a sterling M3, though with obvious attention to large and erratic elements like bank lending.

The "don't cut" school warns that it is too risky to act now in view of the end of the corset this month and the uncertainties of both scale and timing about switching back (or reintermediation) of commercial bills. This could add 2 per cent or so to sterling M3 over the next few months and while this is a cosmetic adjustment it is nonetheless likely to affect the market.

So much for the economics, now for the politics. There is first the Thatcher factor. Officials well remember how difficult it was to persuade the Prime Minister to raise MLR last June and they are worried that if rates are cut now it will be very difficult to raise them again. Allied to this is the point that building societies rates are now artificially low, while mortgage rates will not be reduced if MLR falls by two or three points over the summer they would undoubtedly be increased if MLR had to be raised again, even back to current levels.

Market reaction

The men of caution also argue that to cut MLR while the inflation prospects are so murky, and before the 12-month rate starts to fall, would be wrong pyschologically. Far better on this view to hold MLR a little longer in the hope of larger cuts later.

All this adds up to a finely balanced debate within the Bank and the Treasury with the odds moving in favour of a cut by the end of July. On dates, it is worth remembering that Governments do not like to change MLR until after the latest monetary statistics are available which explains why July 17 is so often mentioned, now that yesterday's banking figures for May have apparently dashed hopes of an earlier cut. In practice, the exact timing may be determined as much by the trend of money market rates as anything else.

True-blue time in the flower beds

GARDENS TODAY

BY ROBIN LANE FOX

EACH SEASON has its own tone in the garden, and in mid-June the dominant tone is blue. Blue flowers are a race apart, too intense to be photographed properly and too varied to be described precisely as they range from sky blue across to the deep blue of the best delphinium. In between, lies the nurserymen's blue, that area of mauves, lavenders and violets which join the true blue circle in order to be sold more freely.

There are few blue *campanulas* and even fewer blue geraniums outside the optimism of a nursery-list. But in mid-June there is enough true blue for a border to be planned round its best matching colours.

Blue, silver and pale yellow are my particular preference. They can be contrived with blue border-plants, yellow-flowered shrub roses and groups of silver-leaved plants.

In June, the *anchusa* and the delphinium have to take pride of place among the true blues. Both are essential plants if you want to add colour quickly to a new garden which is short of height.

The *anchusa* will reach its best in the season after planting and will rapidly fill up the range of plants at four or five feet. It draws on one long tap-root, so it must stand in ground which is deep and fertile throughout the year and drains well in winter. Otherwise, the root stock is liable to rot.

As a general rule you cannot hope for a long life from your clumps. Choose any of the named forms, of which Loddon Royalist is the least tall but the truest blue, and remember that all of them are easily increased from root cuttings. I have never kept good plants for longer than four years, so I reckon with this regular replacement.

There are many good matches for them, but I particularly like the early-flowering yellow shrub roses, the glorious Fruhlings Gold, the smaller double-flowered Harrisons Yellow and above all the profuse single flowers of rose *hugonis*. These are a superb foil for the deepest blue so I would use them in a big border as a yellow-flowered frame for a combination of blue and silvered leaves.

Delphiniums are a more permanent fixture. They are best bought in a recognised prize strain like Blackmore and Langdon's Mixture. Mature plants are quite expensive but a packet of seed will only cost you £1 and now is the time to sow these marvellous perennials.

Give this prize seed enough moisture while in the seed box and it will cause you little trouble. By next spring, you can move your transplanted seedlings into place and expect a full show for 1982. Exhibitors produce flower spikes whose length and evenness are always a wonder.

One reason is the excellence of the named forms which they grow and which you can share quite cheaply through the seed. Another lies in the heavy feeding which they give their plant. Delphiniums are very greedy, they thrive on rotted horse manure and a regular dressing with garden fertiliser.

After flowering, remember that you should always cut down the dead flower spikes. You will usually be repaid with a second and shorter showing in September. Those who complain that delphiniums take up to much room ignore this second season.

If you grow seedlings with a specially good colour take a cutting from them this spring and set it in a light sandy soil. Personally I like the pure whites and any of the deep gentian blues. I do not see the point of the pale lavender mauves unless you are planning a subtle match for them, a white and grey border perhaps or a shocking pink.

These border plants are well known to every front garden but far fewer gardeners are aware of the blue which is just as pure and twice as obliging. Perennial blue flax can be raised by the hundred from a 20p packet seed sown now. It will feed itself freely after one year in flower and will hold its blue flowers throughout the summer.

There are two main forms, *Perenne* and Narbonnense. The former changes colour in my garden, as the day proceeds. When you go off to work, its small saucer shaped flowers are a deep blue. When you return, they have faded in the sunshine to sky blue, before shedding their petals and opening another round of their endless buds on the morrow. Narbonnense remains a darker blue throughout the day. Each form is excellent so long as it stands in full sun where the flowers open widely.

Flax is hopeless in shade. The shape of the plant is slender and upright so it will fit into almost any grouping. I use it as an inter-planting among white roses where it seeds itself quite happily. It makes a long stream of pure blue flowers down a border at a height of scarcely two feet.

The last time I called a plant foolproof and gave it to a colleague, it promptly died on him and he felt most insulted. I still believe that almost nothing could ever kill flax, and anyway it is marvellously cheap.

Its particular blue is an exact match to the pale blue forms of the *ceanothus*. This comparison, like most others, dawned on me by chance when I placed two plants side by side and woke up next year to their exact coincidence of colour and season. For the backrow of wide border, the *ceanothus* is as good as anything. The evergreen leaves are always there to break up the lower clumps of surrounding flower.

The family grows quickly and easily thriving in poor soil, a frequent condition at the foot of the wall or in the back of the big bed. The flowers on the powder-blue *Gloire de Versailles* pair with pale blue flax whereas the spectacular deep blue of topaz is nearer to the delphinium. Most colour planners think only in terms of contrast but a good match can be just as exciting.

At present I have a long run of this flax side by side with a *ceanothus* and a little further on, the blue lavender flowers of the white variagated iris. Their similar colour holds together one corner of garden.

The flowers of catmint are familiar to you all, but the far finer blue of its selected Six Hills form is still unusual. This is a superb border plant, another free-growing blue flower, with a loose habit and a wide spread which softens any hard planting and takes the upright edge off irises and their leaves.

It will reach nearly three feet and should be masked for its impact, one of those spreading plants which can be repeated down the length of border so as to lead the eye down a whole range of colour. It is a splendid pair to silver leaves, perhaps the silky leaves on the good silver *salvia*.

One problem with a new border is how best to give it unity without using too many different plants. Six Hills catmint is a willing grower which will push out across a border's front line and give it some shape from an early age.

These few strong blues go a long way, especially if you liven them up with primrose-yellow irises, yellow shrub roses and primroses, and yellow forms of Sun Rose. Limited colours are not always fashionable in smaller gardens but I think that segregation gives each bed a theme and best shows off the different shades.

You may only have room for a group of silver leaves beside a clump of the best blue-flowered border geranium, the two-feet high Johnson's Blue. You may indeed be able to plan more grandly with *ceanothus* and yellow roses. But June is rare in its abundance of nature's best blues and I would not want a garden which did not plan to give them high priority.

Candy stable can score double

RACING

BY DOMINIC WIGAN

HENRY CANDY and Philip Waldron, who came so close to winning their first Derby with Master Willie last week, could be the combination to follow on their local course, Newbury, this afternoon.

They have bright prospects with the once-raced Palumba, in the Ilsley Maiden Fillies Stakes, and through Cut Throat, bidding for a hat-trick in the Berkshire Stakes.

Palumba could be hard pressed to hold the Jeremy Tree-trained Bright Landing. However, Cut Throat seems unlikely to have many problems. An improving horse, who justified substantial backing at Salisbury after putting up an encouraging display on his debut, Cut Throat won the Yorkshire Trainers' Trophy at Thirsk on May 31.

Although Cut Throat was lucky to win there when Labista's saddle slipped approaching the distance, it was a smart performance.

A repetition should see Cut Throat account for Barnet Heir, who became worked up in the preliminaries to the opener at Epsom on Derby Day.

With both Amorak and Milloletta absent from the 1¼-mile Twyford Stakes, Miss Neustrie could make up for a disappointing display in Thirsk's Elmare Stakes.

The Aga Khan's horse, daughter of Roi Dagobert, was probably just in need of the race there. Her home work suggests she is a great deal better than her Yorkshire running suggests.

She should dispose of Norfolk Gal, a Seven Barrows filly Peter Walwyn decided against running in the Oaks.

At Yarmouth Miss Neustrie's stable companion, Hill's Realm could win the Kitty Witches Maiden Fillies Stakes.

Although Hill's Realm finished a couple of places behind Hazing in the Anne Boleyn Stakes at Sandown, she appears to have sufficient improvement to turn the tables.

NEWBURY

2.00—Palumba*
2.30—Saville Row
3.00—Enchantment
3.30—Cut Throat**
4.00—Queen's Garden
4.30—Miss Neustrie***

YARMOUTH

2.45—Hopeful Princess
3.15—Coral Leisure
4.15—Hill's Realm
4.45—Merciless King

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.35 For Schools, Colleges. 11.25 You and Me. 12.05 pm For Schools, Colleges. 1.30 Heads and Tails 1.45 News. 2.01 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School (as BBC-2 11.00 am). 4.20 Heyyy, It's the King. 4.30 The Record Breakers. 4.55 John Craven's Newsround. 5.05 Huntingtower. 5.35 The Wombles.

5.40 News.
5.55 Nationwide (London and South East only).
6.17 Nationwide.
6.40 The Wednesday Film: "Carry On Cruising," starring Sidney James, Kenneth Williams, Kenneth Connor and Liz Fraser.
8.10 The Big Time.
9.00 Party Political Broadcast by the Labour aPrty.
9.10 News.
9.35 A Moment In Time, by H. E. Bates.
10.30 International Match of the Day.
11.40 Weather, Regional News.

All Regions as BBC-1 except as follows:

Cymru / Wales — 5.55-6.17 pm Wales Today. 6.40 Heddiw. 7.10 Ask The Family. 7.35-8.10 One More Time. 11.40 News and Weather for Wales.

Scotland — 1.25-1.30 pm The Scottish News. 5.55-6.17 Reporting Scotland. 11.40 News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.17 Scene Around Six. 11.40 News and Weather for Northern Ireland.

England—5.55-6.17 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-west (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
10.20 Gharbar.
11.00 Play School.
11.25 Cricket: Benson and Hedges Cup: Essex v Surrey.
4.50 pm Open University.
6.55 Swim.
7.20 Mid-Evening News.
7.30 Dance Month.
†8.10 Midweek Movie: "Carrie," starring Laurence Olivier and Jennifer Jones.
10.05 Cricket—The Benson and Hedges Cup: Essex v Surrey (highlights).
10.35 Party Political Broadcast (as BBC-1 9.00 pm).
10.45 Newsnight.
11.30 Interval.
11.35 Open University.

LONDON

9.30 am Schools Programmes. 11.55 Barney Google and Snuffy Smith. 12.00 Cloppa Castle. 12.10 pm Rainbow. 12.30 Camera: Early Photography. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 Live from Two. 2.45 Fantasy Island. 3.45 Square One. 4.15 The Walt Disney Classic. 4.25 European Football Championship: Czechoslovakia v. W. Germany.

6.45 News.
7.00 Thames News.
7.20 Coronation Street.
7.50 "The Wind And The Lion," starring Sean Connery and Candice Bergen.
10.00 Party Political Broadcast by the Labour Party.
10.10 News.
10.40 Shelley.
11.10 European Football Championship: Greece v Holland.
11.55 Thames Art looks at the poetry scene in London.
12.15 am Close: Personal choice with Cyril Shaps.

All IBA Regions as London except at the following times:

ANGLIA

1.20 pm Anglia News. 2.45 Charlie and Julie. 7.00 About Anglia. 11.55 Police Surgeon. 12.20 am The Big Question.

ATV

1.20 pm ATV Newsdesk. 7.00 ATV Today including Police Five. 11.55 ATV Newsdesk.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 7.00 Report at Seven. 10.00 A Chance To Meet . . . Stirling Moss. 10.38 Channel Late News. 11.55 Stars On Ice. 12.20 am News and Weather in French followed by Epilogue.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 7.00 North Tonight and Area Weather Forecast. 7.15 Police News. 11.55 Reflections. 12.00 Barney Miller. 12.25 am North Headlines.

GRANADA

11.50 am Cartoon. 1.20 pm Granada Reports. 2.45 Family. 3.45 The Amazing Worl l of Kreskin. 7.00 Granada Reports. 11.55 The Odd Couple.

HTV

1.20 pm Report West Headlines. 2.45 The Love Boat. 7.00 Report West.

HTV Cymru/Wales—As HTV West/HTV General Service except: 10.33-10.48 am ABC. 11.55-12.10 pm Ffalabalam. 1.20 Penawdau Newyddion Y Dydd. 1.25-1.30 Report Wales Headlines. 7.00 Coronation Street. 7.30 Y Dydd. 7.40-7.50 Report Wales.

SCOTTISH

1.20 pm News Headlines and Road and Weather. 2.46 pm Power Without Glory. 7.00 Scotland Today. 11.55 Late Call. 12.00 Music at Harewood.

SOUTHERN

1.20 pm Southern News. 2.45 Charlie and Julie. 7.00 Day By Day. 7.00 Scene Midweek (South East Area only). 11.55 Barney Miller.

TYNE TEES

9.20 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Where The Jobs Are. 2.45 Andy. 3.15 In Search Of . . . Mummy's Curse. 7.00 Northern Life. 10.40 North East News. 11.55 Power Without Glory. 12.50 am Epilogue.

ULSTER

1.20 pm Lunchtime. 2.45 Survival Special. 4.13 Ulster News Headlines. 7.00 Ulster Television News. 10.39 Ulster Weather. 10.40 Church Report. 12.00 Shelley. 12.25 am Bedtime.

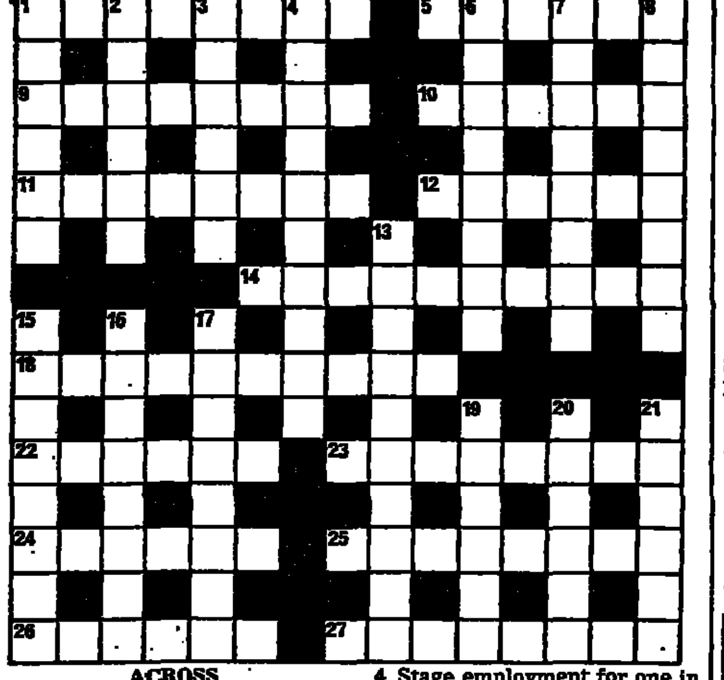
WESTWARD

1.20 pm Westward News Headlines. 7.00 Westward Diary. 10.40 Westward Late News. 11.55 Stars On Ice. 12.20 am Faith for Life. 12.25 West Country Weather and Shipping Forecast.

YORKSHIRE

11.55 am Cartoon Time. 1.20 pm Calendar News. 2.45 Tandarra. 7.00 Calendar (Emley Moor and Belmont editions). 11.55 SWAT.

F.T. CROSSWORD PUZZLE No. 4,294



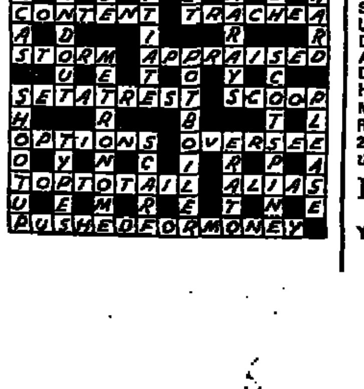
ACROSS

1 A couple of mistakes, and they're ready to catch you out (3, 5)
5 Seal causes pain in court (6)
9 Welcome — spinsters excluded (3, 1, 4)
10 Sneak in the bank (6)
11 Glance at a French city to have a pleasing appearance (4, 4)
12 "They are as sick that surfeit with too much as they that —— with nothing" (M.o.V) (6)
14 Fainting fathers cry aloud (7, 3)
18 Hostilities face the Church in Wiltshire (10)
22 Swindles workers after a record return (6)
23 Strike is opposed in the theatre (8)
24 Conditional release from oil ban (2, 4)
25 What Daisy's boy-friend could not afford (8)
26 Voice with a chance in the pools (6)
27 Fortune teller includes a bob for David (8)

DOWN

1 Complication is no good in a story (6)
2 Toll for the French king after a month (6)
3 Fruity answers (6)
4 Stage employment for one in the hunt (4-6)
6 One of Rome's seven hills (8)
7 Sacred measure for a palace (8)
8 People in the midst of wrongs have afflictions (8)
13 German town changes a list of necessities (10)
15 Made a grand exit like Mrs. Mopp (5, 3)
16 Introduction before a stroll (8)
17 The wind about one makes the hearing void (8)
19 April's continuing rise in costs (6)
20 I am rising about rule in an African country (6)
21 "The leafless —— of the mind" (Byron) (6)

Solution to Puzzle No. 4,293



Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo	BBC Radio London: 1458kHz, 206m & 94.9vhf
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	200kHz/1500m & 92.95vhf	Capital Radio: 1548kHz, 194m & 95.8vhf
				London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 7.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Paul Gambaccini. 7.00 Radio 1 Mailbag. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

VHF Radios 1 and 2—5.00 am With Radio 2. 5.05 Much More Music (S) (continued from Medium Wave) including 5.45 Sports Desk. 6.03 John Dunn (S) including 7.30 Sports Desk. 8.02 With Radio 2. 10.00 With Radio 1. 12.00-5.00 am With Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Ray Moore (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.05 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S). 4.03 Much More Music (S). 5.05 European Soccer Special. 7.00 John Dunn (S). 8.02 Listen To The Band (S). 8.45 Alan Dell with Dance Band Days. 9.15 Among Your Souvenirs (S). 9.55 Sports Desk. 10.02 Punch Line (S). 10.30 Hubert Gregg says Thanks for the Memory. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

†6.55 am Weather. 7.00 News. 7.05 Your Midweek Choice, part 1 (S). 8.00 News. 8.05 Your Midweek Choice, part 2 (S). 9.00 News. 9.05 This Week's Composer: Massenet (S). 10.10 Music for Organ (S). 10.50 Krommer chamber music (S). 11.10 Midday Concert, part 1 (S). 11.50 Interval Reading. 12.00 Concert, part 2. 1.00 pm News. 1.05 Concert Hall (S). 2.00 Music Weekly (S). 2.50 Fifty Years of British Music (S). 3.30 Bournemouth Sinfonietta concert, part 1 (S). 4.05 Interval Reading. 4.10 Concert, part 2. 4.55 News. 5.00 Mainly for Pleasure (S) (‡ and mono only from 6.20). 7.00 Towards the Ninth Symphony. 7.30 "Simon Boccanegra," opera by Verdi, Prologue, Act 1 Scene 1 (S). 8.40 The Festival Scene: Aldeburgh (talk by Bernard Levin). 9.00 "Simon Boccanegra," Act 1 Scene 2 (S). 9.30 Six Continents. 9.50 "Simon Boccanegra," Acts 2 and 3 (S). 11.00 News. 11.05-11.15 Purcell (S).

VHF Only—Open University: 6.00-7.00 am and 6.20-7.00 pm, and for Scottish students only: 12.00-1.00 am.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Mid-Week With Russell Harty. 10.00 News. 10.02 Gardeners' Question Time. 10.30 Daily Service. 10.45 Story Time. 11.00 News. 11.05 Baker's Dozen. 12.00 News. 12.02 pm You and Yours. 12.27 Just A Minute (S). 12.55 Weather; programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.0 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre (S). 4.00 Choral Evensong (S). 4.45 Short Story. 5.00 PM News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 My Music (S). 7.00 News. 7.05 The Archers. 7.20 Checkpoint. 7.45 Person to Person. 8.45 Analysis: The Rt. Hon. James Callaghan. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The Jason Explanation of Progress (S). 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. †.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Question Time from the House of Commons. 9.00-5.00 am Join Radio 2.

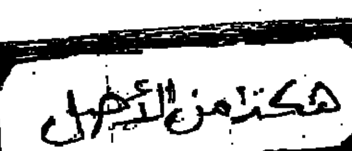
London Broadcasting

6.00 am AM with Bob Holness and Douglas Cameron: Dickie Arbiter will be talking to Prince Charles. 10.00 Brian Hayes. 12.00 LBC Reports. 8.00 pm Jazz After Eight. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 5.00 Morning Music.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 1.00 pm London Today First Report (S). 1.10 Dave Cash (continued). 3.00 Roger Scott (S). 7.00 London Today (S). 7.20 Jane Walmsley's Special Report—"Quietly Crazy" (S). 8.00 Adrian Love's Open Line (S). 9.00 Nicky Horne's "Your Mother Wouldn't Like It" (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

ENTERTAINMENT GUIDE



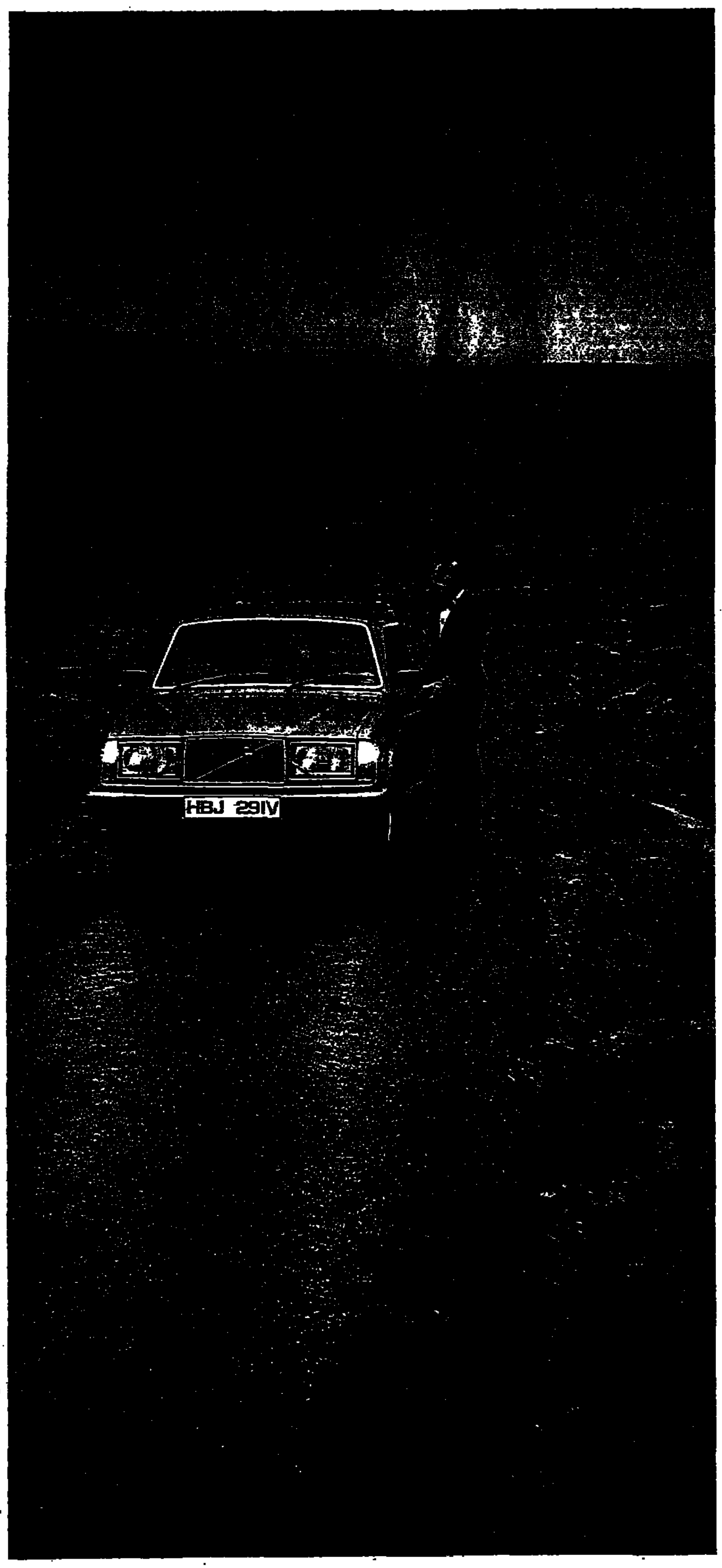
"My car couldn't have chosen a more desolate spot to break down. I abandoned it with ill-disguised anger and started walking.

I had been going for maybe half an hour when a Volvo estate drew up beside me. Such is my dislike of the car, that had it not been raining I would have waved the driver on."

Let me start by admitting to a certain amount of irrationality when it comes to cars.

I have always bought cars that are faster than they need be, more luxurious than they should be and more expensive than they've any right to be.

In short, when on four wheels, I am a confirmed seeker after pleasure.



In the opposite corner, I always imagined were Volvo. Austere, frugal and eminently sensible.

The kind of car your mother would say was good for you.

Judge then my feelings as the Volvo stopped beside me on that rain-soaked road.

The driver was not some elderly hill farmer but a man I would not have put much above thirty-five.

"Can I give you a lift?" he enquired as he held open the door. "I passed your car down the road–beautiful looking machine."

As I slipped into the passenger seat I noticed that I was sitting on real leather. (The first of many discoveries I was to make that evening.)

"Let me introduce myself, my name is James Durban." When on the defensive, I invariably hide behind formality.

My rescuer was more relaxed and told me that his name was Tony and that he had a house some twenty miles away.

"Have you driven far?" I asked.

"About 300 miles" he answered. "But it's very easy in the Volvo. The 265 is a very long-legged car."

"You must have spent a fortune on sound insulation" I said with an ear to the uncannily quiet performance of the engine.

"Not a bit. It's a 6-cylinder engine. 2·7 litres with fuel injection and a light alloy block. And as you can hear very quiet."

The conversation was taking a turn that displeased me. As he steered the car expertly through the narrow country roads I attempted to steer the conversation towards more general topics.

"What do you do?" I asked.

"I'm a writer and I deal in antiques. I've just bought the coffer you see in the back."

I turned round and noticed that the rear seats had been folded flat and that we were travelling with a beautiful oak chest at least 6 ft in length.

By now I was beginning to go through that most uncomfortable of human emotions – a change of mind. However, I wasn't about to give up without a struggle.

"Yes a jolly practical car the Volvo, but it's a bit short on the creature comforts don't you think?"

Looking back I'm surprised he didn't turf me out there and then. Instead, he simply defeated me with facts.

"Well," he began, "there are a few standard features you might appreciate. Like air-conditioning, electric windows, power steering, heated driver's seat..."

"How thoughtfully Nordic" I muttered gracelessly.

He continued with a light smile, "Metallic paint, electrically operated door mirrors, heated rear window, central locking."

I interrupted him. "Alright, point taken. And I suppose you still haven't come to things like a cigar lighter, electric clock and a light in the glove box?"

"Exactly" he replied. "The Volvo has all of those, not to mention stereo speakers in the front doors."

The rain had begun to ease and as my clothes dried out I recovered a little of my customary good humour.

"Well, it's certainly more comfortable than I thought, is it expensive?"

"With the automatic gearbox it runs out at £10,266."

When I thought of what I had paid for the piece of exotica languishing on the road some fifteen miles behind us, I was stung to one last justification.

"Of course, my car is much faster. I can reach 150 mph on a good dry road."

"It's not quite so fast in the wet though, is it?" He asked the question in the mildest voice possible. To my credit, after a moment's hesitation, I burst out laughing.

"Touché" I said and for the rest of a very enjoyable journey we talked about antiques. **The Volvo 265.**

PRICES FOR THE NEW 1980 VOLVO 6 CYLINDER START AT £8899 (DELIVERY AND NUMBER PLATES EXTRA). FOR THE 1980 EDITION OF 'VOLVO FACTS,' WRITE TO: DEPT. FT23 VOLVO CONCESSIONAIRES LTD, LONDON W13 9JQ. SALES TEL: HIGH WYCOMBE (0494) 33444. SERVICE TEL: IPSWICH (0473) 72026. PARTS TEL: CRICK (0788) 823511.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ELECTRONICS

Printed circuit design aid

CLAIM MADE for the latest Racal-Redac printed circuit design aid is that it is an economical proposition even if no more than five average sized boards are designed each year.

The company describes Cadet as its third generation interactive PCB designer which is "simplicity itself" to use. It consists of screen, keyboard and electronic tablet with stylus, allowing a designer to produce three times as many designs a year as he can working manually.

All interaction is via the tablet and there are "pan" and "zoom" facilities. To produce a design the operator chooses all the required component shapes from an electronic library and reproduces them on the screen together with their interconnection data, and the machine then draws the shortest straight lines between them to give a visible aid-memory. Then, after manipulating the shapes to find their best placements, he converts the connections to route paths, by manual "cut and try" methods. The machine automatically minimises connection lengths and checks for track cross overs.

Cadet is used in conjunction with Racal-Redac back-up services. While the designer is working, the design is stored internally and when he is finished he inserts a cartridge on to which the design is transferred. He posts this to the nearest Redac service where artwork will be produced and, if desired, a prototype PCB.

This desk top equipment costs £20,000 and a large proportion of it is being made by Racal-Redac, so that for the first time the company is undertaking the manufacture of computer equipment. So far its reputation has been built, in the main, on a high level of CAD software ability.

Already the company has started the first production run of 250 systems, a quantity "unheard of in the CAD industry anywhere in the world" according to managing director Eric Wolfendale.

Racal-Redac, Tewkesbury, Gloucestershire GL20 8HE (0684 294161).

● PROCESSING

Coating capacity increased

AN ALLIANCE between CMI (Plastics) of Blackburn and Somic means that the latter company can greatly increase its materials-coating capacity, says Somic, Alliance Works, Preston, Lancs.

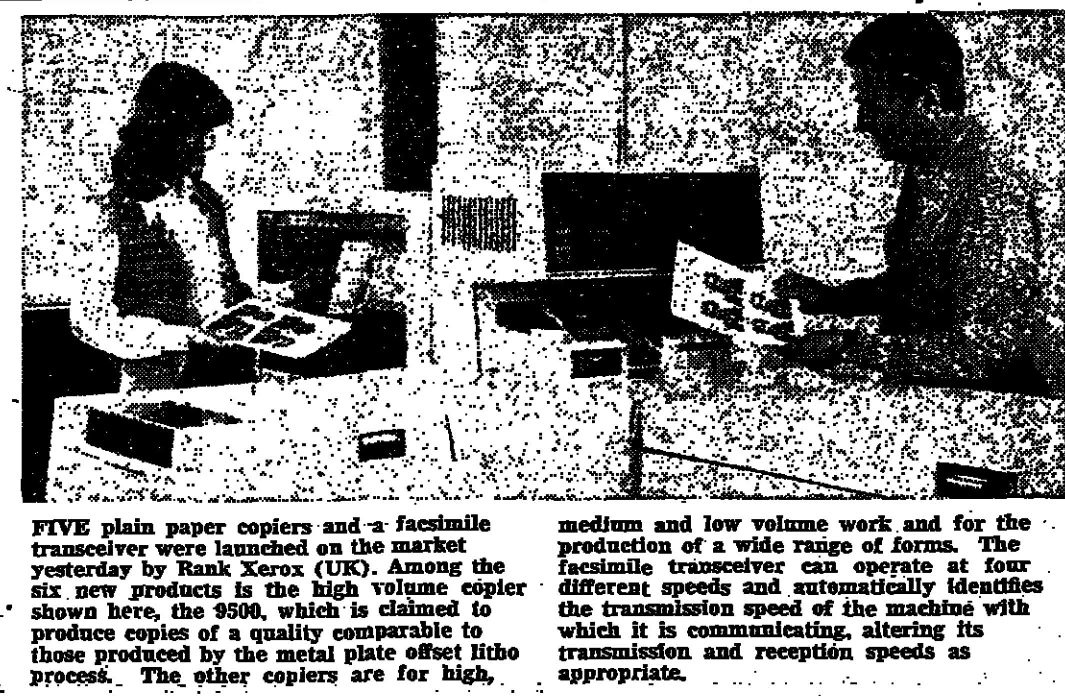
The company has absorbed CMI's production facilities for applying thermosplastic coatings (including pvc, polystyrene, polypropylene, polyethylene and polyurethane) on to virtually any flexible material.

Technique has numerous applications for products such as wallpaper, shopping bags, aprons, safety-wear, book covers, luggage, shoe uppers and shoe-linings.

Somic has also added to its existing capacity with machinery purchased from CMI and can now handle coatings from 3 thou. up to 4 thou. thickness in a wide variety of colours, special effects and textured finishes. Latters cover high gloss, matt, fluorescents, fire retardant and embossing effects such as antique, leathergrain, etc.

Included in the newly acquired plant is high speed embossing equipment and gravure printing machines for producing some of the special finishes.

Somic has recently also developed a new technique for coating open scrim materials, such as polyester, glass, viscose and cotton, particularly for new types of wallcovering.



FIVE plain paper copiers and a facsimile transceiver were launched on the market yesterday by Rank Xerox (UK). Among the six new products is the high volume copier shown here, the 9500, which is claimed to produce copies of a quality comparable to those produced by the metal plate offset litho process. The other copiers are for high, medium and low volume work and for the production of a wide range of forms. The facsimile transceiver can operate at four different speeds and automatically identifies the transmission speed of the machine with which it is communicating, altering its transmission and reception speeds as appropriate.

● RESEARCH

Hybrid car experiment

A NUMBER of American, German and Japanese companies are being organised into a team by U.S. General Electric in order to produce two advanced hybrid cars for the U.S. Department of Energy.

It is an $8m 30-month project and the outcome will be a pair of four-door five seater saloons running at slow speeds on electric motors, high speeds on an 80 horse power Volkswagen engine of special design, and on both when power bursts are needed.

The cars, which are aimed at the reduction of U.S. petrol consumption, are expected to consume 40 to 50 per cent less petrol than a conventional car of the same size.

Both motive power units in these front wheel drive vehicles will be mounted longitudinally under the bonnet. The electric motor will be used for speeds up to 30 mph and the IC engine for highway driving. For high output needs, as when passing another car, the load will be shared. The vehicle is expected to accelerate from sero to 50 mph in 12 seconds. Its design is aimed at mass production in the mid-1980s at a consumer price of $7,600 (1978 dollars).

GE (U.S.A.) emphasises, however, that it has no plans at the moment to either manufacture or market hybrid or purely electrical cars. Rather, it sees long range opportunities as a supplier of items such as motors and electronics.

Overall control of the vehicle's propulsion will be by means of a microprocessor—the driver will not have to decide which of the two motors is to be used.

● COMMUNICATION

Connection confusion avoided

THE PROBLEM of identifying the ends of groups of long, bunched conductors with no clear markings is made much easier with the Cable Identifier developed by Mason and Morton (Electronics) of Frogmore Road, Hemel Hempstead, Herts HP3 9RW (0442 48441).

Multi-terminal sending and receiving equipment is used at the two ends, where the conductors are connected completely at random. When the sender unit is switched on the first two conductors connected to it are immediately identified by a green and a red light. These wires are then moved to two special terminals on the receiver unit and act as communications links. The operator can then identify all the other wires merely by pressing a button: an LED display will indicate each conductor in turn and a flashing light will appear next to the terminal corresponding to that conductor so that it may be marked permanently.

The system has been tried out successfully on the Dartford Tunnel signalling cables and should prove useful in the telecommunications, vehicle and aircraft industries.

Streamlined service

WITH TECHNICAL assistance and equipment from Pye Telecommunications, the Kent Ambulance Service has replaced a network of 17 control centres with only two, at Canterbury and Maidstone.

The service makes about 12,000 patient-journeys each week amounting to 75,000 miles travelled and a running cost of £5m a year. With the previous control, any one of the 17 areas might have had ambulances doing nothing while a nearby district was overworked and short of vehicles.

With the integrated two-centre control, the dispatcher simply sends the nearest available vehicle to the 999 call; but much of the benefit will arise from better organisations of routine pick-up of patients. Better control of the 253 ambulances used by the county from two places should mean more economic journeys.

Pye Telecommunications is at St. Andrews Road, Cambridge, CB4 1DW (0223 61222).

● MAINTENANCE

Washes at high pressure

EASILY MOVED to site where it takes up a minimum of space, is a simple to use high-pressure cold water washer which costs only £350 (including delivery) announces Wickham Industrial Equipment, Norton Road, Stevenage, Herts. (0438 4041).

Called the Tornado, this runs off a 13 amp supply, gives a throughput of two gallons a minute at 500 psi and is suitable for a variety of cleaning tasks throughout industry, transport departments, and on the farm.

Unit can be mounted on a standard 200 litre barrel which is then used as a storage tank—alternatively, water can be drawn direct from mains supply.

● ENERGY

Manages the demand

ACCORDING TO Plasma-Therm, 6 Station Road, Penge, London SE20 7BQ (01-778 6798) more than 200,000 industrial electricity users are charged on the dual tariff in which they are paying not only for the amount of power used but also for any excursions beyond a pre-set maximum demand.

The Area Board calculates the maximum demand point by taking the highest average electrical consumption attained over the demand period (usually 30 minutes) during one of the billing periods.

A micro-chip driven device from Plasma-Therm has eight switching circuits each of which can be assigned a priority. Power is made available to all loads during the first part of the period. After a fraction of the demand period the device, called Demand Manager, predicts the average consumption over the whole period compared with a pre-set level and if necessary, sheds loads as the period progresses.

In this way, the actual demand is kept within the limit, but the loads can be shed on a priority basis to cause minimum risk or inconvenience.

● MATERIALS

Overcomes flash problem

UNEXPECTED, occasional flashes of super-heated material have been known to destroy conventional textile conveyor belts which, in turn, has caused high replacement and downtime costs, says BTR Belting, PO Box 8, Centurion Way, Leyland, Lancashire. (07744 21711).

Able to cope with this problem is the company's new belting called Flexicord whose technical superiority is said to be in its woven steel carcase, able to withstand heat damage.

Where conventional textile belts may break or be totally destroyed, this promises to keep the carcase intact so that the belt will remain operational even after the most severe flash of high temperature material.

Monoply steel carcase construction also allows for increased flexibility for deep troughing and around pulleys, says the company, as only 0.5 per cent elongation occurs in service—considerably less than for any textile reinforced belt. As a result, therefore, there is no need for retensioning during the belt life.

Further benefit is that the excellent fatigue properties of the steel reinforcement give the belt improved load support and impact resistant characteristics; the force required to rip a Flexicord belt is three times that for the equivalent strength textile-reinforced belt.

● SERVICES

Lift truck faults detected

A COMPUTER-based record of the repair and service records of every machine in the 5,000 fork-lift truck fleet of Harvey Plant is to be kept as part of a preventative maintenance and fault detection scheme announced by the company.

Included in the database will be the frequency, cost and repair time of every significant fault that develops and these service case histories will be updated using the input of 352 service engineers operating from the 30 service centres.

By analysing the faults the company will be able to identify fundamentally weak components or any inherent flaw in design or materials. It should then be in a position to recommend changes to the truck maker which clearly could substantially reduce the number of breakdowns and the amount of downtime for a particular model, giving the customer a more reliable machine and one that would be less costly to service and maintain.

In addition, Harvey Plant will apply the data to the planning of service operations, using accurate service profiles of the make, model, age and application to improve efficiency.

● INSTRUMENTS

New devices from Denmark

A RANGE of electronic digital instruments made by Danish company Logik is to be marketed in the UK by Smiths Industries Industrial Instrument Company.

They will carry the British company's "Venture" label and include counters, tachometers and length measuring units together with a number of rotary generators, photo-electric and inductive tranducers for use in conjunction with the instruments.

Applications will be in counting and rate measurement in many industries. Typical uses are batch and total counting, discriminatory counting, rotational speed checking, length measurement, wire winding, reeling and a number of other industrial applications.

More from the company at Brook Road, London NW2 7BP (01-452 3333).

FINANCIAL TIMES

Eurobond Quotations and Yields

AIBD

THE ASSOCIATION OF INTERNATIONAL BOND DEALERS — AT 31st MAY 1980

The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues. These quotations and yields are published monthly by the Financial Times. The Association's prices and yields are compiled from quotations obtained from market-makers on the last working day of each month. There is no single stock exchange for Eurobonds in the usually recognised sense—secondary market trading business is done on the telephone between dealers scattered across the world's major financial centres. Membership of the AIBD (which was estabished in 1969) comprises over 550 institutions from about 30 conturies.

Eurobonds in May

BY DAVID MELLETT

THE EUROBOND market in May continued buoyant with a very healthy new issue volume in the major sectors. There were issues, too, in many of the other smaller currencies *and most new offerings were* absorbed successfully. Secondary market trading reached *record levels and dealers began* to recoup losses made in the winter months.

However, by the end of the month, the primary market in the U.S. dollar sector began to *suffer* some indigestion from too many new issues and from cautious investors worried about fast falling interest rates.

Deutschemark bonds saw investors still anxious to buy new paper. Dealers believed *that interest rates had peaked.* This encouraged investors to lock in at high fixed coupons *and yields. The fact that the* dollar had lost around 5 per cent in one month against the Deutschemark was an added incentive.

The dollar sector continued to be the most lively of the Eurobond market. Following the Federal Reserve's easing of its credit restraints, Eurodollar interest rates tumbled to their lowest levels since 1978. The six month rate fell by around *4 per cent on the month to 9¼* per cent. This fall completely outstripped the fall in the U.S. *banks' Prime rate.*

There is, however, some concern in the New York market at *the speed at which the Federal* Reserve has allowed interest rates to come down when inflation *is still* considered to be running at between 9 and 10 per cent. Decreasing money supply in the U.S. is the reason why the Federal Reserve has been able to allow rates to fall quickly but some economists think that this has been done *to excess.* They fear it could result in a much weaker dollar, ultimately causing interest *rates to go up again.*

The remainder of the $500m tap issue for the Kingdom of Sweden *was completed* successfully and its price reached 111¼, a substantial premium over *issue price. This was true for* many new issues on the dollar sector.

Another success was the $200m issue for the Ford Overseas Finance Company, lead managed by Goldman Sachs. Bearing a coupon of 12⅞ per cent and maturing in 1985 this was the month's largest issue and yet demand was such that the amount was increased to $250m.

The total amount of new dollar bonds issued just failed to match the $1.7bn in April. There was no doubt that borrowers were waiting to come to the market at the end of the month but new issue managers were wary that investors might have satisfied their appetites for the time being. Average yields on the dollar secondary market declined by around 75 basic *points to 11¼ per cent.*

The Floating Rate Note sector saw its percentage of new issue volume increase in May to 34 per cent from 15 per cent in April. In the secondary market, FRNs remained stable throughout the month, even though Eurodollar interest rates were some 2 per cent lower than straight bond yields in the latter half of the *month.*

Compared with a scheduled DM 750-800m worth of new *issues agreed by the German* Capital markets Sub-committee, DM 815m was eventually issued. *The total included a* DM 150m issue for Brazil, managed by Deutsche Bank. This paper was for eight years and priced to yield 9.34 per cent, just ¼ per cent above the rate then quoted for prime names in the primary market. Although the tax situation for Brazilian borrowers on the Deutschemark market makes this an attractive issue, the yield differential has been far greater on earlier issues from Brazil. This illustrates the current sentiment in this sector, which ended the month on a strong note with a steady flow of foreign buying. The strength of the Deutschemark, together with the likelihood that interest rates in Germany would come down, made all new issues very attractive.

Two DM issues were increased in size during the month. *Akzo's DM 100m offering* was raised by DM 25m and an issue for the Oesterreichische Kontrollbank was increased to DM 150m from DM 100m.

In the secondary market, prices of DM foreign bonds were usually firmer and the average yield fell from 8¾ per cent to 8¼ per cent over the month. A shortage of paper in the domestic market was a factor behind the price increases.

In Swiss francs the flow of new *bonds continued with coupons* of around 6 to 6¼ per cent for prime borrowers. Given the *recent strength of the currency* against the dollar, commentators feel that this rate should go below 6 per cent in the near future. Yields on the secondary market were little changed overall and were around the 5.7 level by the end of the month.

There were also issues in sterling, Austrian schillings, French francs, Canadian dollars and guilders over the month. In guilders, AmRo Bank arranged an issue for itself to test the market after February's disappointing Nederlands Credietbank issue which only attracted purchasers for Fl 25m of Fl60m offered. The May issue went well and AmRo later successfully completed a Fl 150m issue for the European Investment Bank while F. van Lanschott Bankiers lead-managed its own Fl 50m private placement.

Scandinavian Bank, the UK consortium bank, was the first to take advantage of a decision by the Bank of England to allow banks to raise sterling via floating rate notes. Some £20m was raised for ten years at the rate of ¼ per cent over the three month sterling Libor. The issue, arranged by Morgan Stanley, differs from other FRNs in that it is pegged to a *domestic rate—Libor—whereas* normally Euro-FRNs are tied to an offshore rate.

On the secondary market the issue saw little demand and shed 2⅞ points to 97⅝ per cent *on its first day of trading. The* bank's name, however, is not well known within the Eurobond market.

At the annual AIBD meeting in New York, Mr. Kurt Olav Orbech of the Union Bank of Norway proposed that the board of the AIBD be given a mandate to prepare an in-depth study of the structural and practical problems of the primary and secondary Eurobonds markets and to prepare a set of alternative solutions to these problems. The resolution was defeated, but there is obvious frustration among Eurobond traders about the way large underwriting bond houses, which dominate the new issuing business, offer discounts in price to institutional clients.

The meeting was notable for the attendance of more representatives from the primary market than in previous meetings.

COMPILED FOR THE ASSOCIATION OF INTERNATIONAL BOND DEALERS BY INTERBOND SERVICES LTD. ★ *A subsidiary of data STREAM International*

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The table of quotations and yields gives the latest rates available on 31st March, 1980. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the Information it contains is accurate or *cimplete.*

All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will trade in all the listed Eurobonds and the Association, its members and the *Financial Times Limited* do not accept any responsibility for errors in the table.

Issued (Est. O/S)	Year of issue / Issue price	Borrower / Coupon Maturity	Price	Yield to maturity / to average life	Current yield
		US DOLLARS-ALGERIA			
25	1977 100.00	BQUE EXT D'ALGERIE 9.00 15/ 8/1982	88	15.79	10.23
		US DOLLARS-ARGENTINA			
50	1979* 98.50	ARGENTINE REPUBLIC 9.875 1/ 8/1984	89	13.46	11.10
		US DOLLARS-AUSTRALIA			
30 5.0	1963 97.50	AUSTRALIA,COMMONWEALTH 5.00 1/ 4/1983 S	89 5/8	9.45 12.79	5.66
25 .7	1960 98.00	AUSTRALIA,COMMONWEALTH 5.25 1/10/1980 S	95	22.49	5.60
25 2.0	1961 97.00	AUSTRALIA,COMMONWEALTH 5.50 1/ 7/1981 S	93 3/8	13.10 22.09	5.98
30 3.3	1962 98.25	AUSTRALIA,COMMONWEALTH 5.50 15/ 1/1982 S	90 7/8	12.91 19.90	6.14
30 4.2	1962 97.50	AUSTRALIA,COMMONWEALTH 5.50 1/ 7/1982 S	90 1/2	10.98 15.87	6.17
25 3.5	1962 99.00	AUSTRALIA,COMMONWEALTH 5.50 1/10/1982 S	90 1/4	10.56 14.15	6.19
25 7.0	1965 98.50	AUSTRALIA,COMMONWEALTH 5.50 1/ 5/1985 S	88	8.72 10.62	6.35
25 8.3	1965 99.75	AUSTRALIA,COMMONWEALTH 5.75 1/11/1985 S	89	8.48 10.45	6.57
25 9.4	1967 97.50	AUSTRALIA,COMMONWEALTH 6.50 15/ 6/1982	92 1/8	11.01 12.31	7.06
100	1977 100.00	AUSTRALIA,COMMONWEALTH 7.50 1/ 9/1984	88 3/4	10.92	8.45
350	1978 100.00	AUSTRALIA,COMMONWEALTH 8.00 1/ 4/1982	96 1/8	10.39	8.32
225	1976 99.88	AUSTRALIA,COMMONWEALTH 8.125 15/11/1983 S	93 3/4	10.58	8.85
75	1976 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/ 6/1981 S	98 3/8	10.24	8.56
120	1976 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/10/1983	93 3/4	10.53	8.80
125	1977 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/12/1984 S	92 1/8	10.76	9.16
150 150.0	1977 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/ 9/1992	81 1/2	11.07 11.89	10.12
125	1978 100.00	AUSTRALIA,COMMONWEALTH 8.45 1/ 6/1983 S	95 3/8	10.54	9.06
220	1976 100.00	AUSTRALIA,COMMONWEALTH 8.50 1/10/1986	91 1/4	10.43	9.32
50	1975 100.00	AUSTRALIA,COMMONWEALTH 8.75 15/ 6/1983 S	96	10.58	9.12
50	1976 99.63	AUSTRALIA,COMMONWEALTH 8.75 1/ 6/1984 S	92 1/2	10.74	9.68
60 60.0	1976 99.50	AUSTRALIA,COMMONWEALTH 8.75 1/10/1991	86 3/8	10.88 11.60	10.13
100 100.0	1977 98.88	AUSTRALIA,COMMONWEALTH 8.875 1/12/1997 S	82 3/4	11.44 12.11	11.01
75 75.0	1976 99.50	AUSTRALIA,COMMONWEALTH 9.00 15/11/1996 S	84 1/4	11.41 12.16	10.97
75 75.0	1978 99.63	AUSTRALIA,COMMONWEALTH 9.125 1/ 6/1993 S	87	11.33 11.80	10.76
75 75.0	1976 98.50	AUSTRALIA,COMMONWEALTH 9.125 1/ 6/1996 S	85 3/8	11.41 12.12	10.97
25 17.0	1975 99.00	PAPUA NEW GUINEA,GOVT OF 9.30 15/ 3/1983	95	11.66 12.27	10.00
25	1977 100.50	ALCAN AUSTRALIA 8.50 15/ 4/1989	86 1/8	11.02	9.87
60	1979* 100.00	ALCOA OF AUSTRALIA 10.00 15/ 6/1989	92 1/8	11.44	10.85
25 12.5	1976 100.00	AUSTRALIAN IND DEVT CORP 10.25 1/12/1991	95 1/4	13.83 15.70	10.76
40 40.0	1977 100.00	AUSTRALIAN MIN & SMELT'G 9.25 15/ 6/1992	86	11.45 11.95	10.76
10	1977 100.50	AUSTRALIAN RESOURCES 8.25 1/12/1982	91	12.60	9.07
30	1975 99.50	AUSTRALIAN RESOURCES 9.25 1/ 8/1980	99 1/8	14.27	9.33
30 24.0	1975 100.00	AUSTRALIAN RESOURCES 9.50 1/ 3/1983	93 1/4	12.50 12.69	10.19
30	1979* 99.50	AUSTRALIAN RESOURCES 9.625 1/ 8/1984	95 1/4	11.09	10.10
42	1976 99.50	AUSTRALIAN SHIP COMM P 8.25 1/ 9/1983	97 5/8	9.10	8.45
30	1977 99.50	BROKEN HILL PROPS 8.00 1/ 4/1985	85 1/8	12.24	9.40
30 30.0	1977 99.00	BROKEN HILL PROPS 8.25 1/ 4/1989	76	12.95 13.62	10.86
30	1975 100.00	BROKEN HILL PROPS 9.50 1/ 5/1981	97 1/8	12.96	9.78
20 15.7	1975 98.50	BROKEN HILL PROPS 10.00 1/ 5/1990	90	11.75 12.39	11.11
20 13.0	1970 98.50	COMALCO INV EUROPE 9.50 1/11/1985	90 5/8	11.91 13.35	10.48
25 18.0	1979 100.00	COMALCO LTD 10.00 1/ 4/1987	92 3/8	12.60 12.01	10.88
40 40.0	1979 100.00	COMALCO INV EUROPE 10.25 15/ 7/1991	90 3/4	11.77 12.07	11.29
25	1975 100.00	CSR LIMITED 9.50 15/ 7/1980	99 1/2	13.23	9.55
40 34.6	1976 100.00	HAMERSLEY HOLDINGS 8.50 1/ 1/1984	93	10.93 11.15	9.14
60 38.0	1976 100.00	HAMERSLEY HOLDINGS 9.50 1/ 1/1992	89 7/8	11.07 11.39	10.57
25 19.3	1972 100.00	HAMERSLEY IRON FIN 8.00 15/11/1987	86	11.26 12.73	9.32
20 12.5	1971 99.50	HAMERSLEY IRON FIN 9.00 1/ 5/1986	88 5/8	11.77 13.09	10.16
20 12.0	1970 97.00	HAMERSLEY IRON FIN 9.50 1/ 9/1985	91 5/8	11.70 13.09	10.37
35 28.0	1975 100.00	HAMERSLEY IRON FIN 10.00 1/ 6/1982	94 3/8	13.38 13.66	10.60
23 20.7	1972 99.75	K MART(AUST)PROPERTIES 7.75 15/ 9/1984	83	13.15 13.37	9.34
36 34.7	1976 99.50	K MART(AUST)FIN 9.00 1/10/1986	84	12.84 13.15	10.71

Issued (Est. O/S)	Year of issue / Issue price	Borrower / Coupon Maturity	Price	Yield to maturity / to average life	Current yield
		US DOLLARS-AUSTRALIA (CONTINUED)			
25 17.5	1971 100.00	MOUNT ISA FIN 8.75 15/11/1986	83 1/2	12.60 14.34	10.48
10	1976 100.00	TNT INTL FIN 9.00 1/ 7/1983 WW	95	10.90	9.47
10	1976 100.00	TNT INTL FIN 9.00 1/ 7/1983 XW	87	14.50	10.34
20 20.0	1977 100.00	TNT OVERSEAS FIN 9.00 15/ 8/1987	80 1/2	13.36 14.30	11.18
50 50.0	1977 100.00	WESTERN MINING CORP 9.00 15/10/1992	85 5/8	11.18 11.44	10.51
15 11.3	1975 99.00	WESTERN MINING CORP 9.75 1/ 5/1982	97 1/8	11.48 11.55	10.04
		US DOLLARS-AUSTRIA			
28 4.8	1964 99.00	AUSTRIA,REPUBLIC OF 6.00 31/ 1/1984 S	95 1/8	7.68 8.68	6.41
23 4.0	1967 98.50	AUSTRIA,REPUBLIC OF 6.75 15/ 3/1982 S	95 1/8	10.01 11.07	7.22
50	1977 100.00	AUSTRIA,REPUBLIC OF 7.80 15/ 7/1984 S	90 3/4	10.90	8.78
50 50.0	1977 100.00	AUSTRIA,REPUBLIC OF 8.625 15/ 7/1992 S	83 3/8	11.47 12.37	10.61
50 41.0	1976 100.00	AUSTRIA,REPUBLIC OF 8.75 15/ 8/1990	86	11.10 11.42	10.17
50	1975 100.00	AUSTRIA,REPUBLIC OF 9.00 15/ 7/1988 S	97 1/2	10.60	9.44
12 6.0	1965 97.00	ALPINE MONTAN STAHL 5.75 15/ 6/1985	90	8.25 10.19	6.38
15 6.3	1966 96.50	AUSTRIAN ELECTRICITY 6.625 1/ 7/1986 S	98	7.16 7.49	6.87
18 4.1	1967 96.50	AUSTRIAN ELECTRICITY 6.75 1/10/1982 S	98	7.84 8.53	7.05
50	1977 100.25	OSTERREICHE KONTROLLBANK 7.00 1/10/1980	98 1/8	12.74	7.13
30	1977 100.50	OSTERREICHE KONTROLLBANK 7.50 1/10/1982	93	11.02	8.06
50	1976 100.00	OSTERREICHE KONTROLLBANK 8.00 1/10/1981 S	97	10.72	8.42
30 30.0	1977 100.50	TAUERNAUTOBAHN 8.25 15/ 3/1987	87	11.06 11.68	9.48
		US DOLLARS-BELGIUM			
75 75.0	1973 100.00	MAFINA B.V. 4.50 1/ 7/1988 WW	81 1/2	7.65 8.76	5.52
75 75.0	1973 100.00	MAFINA B.V. 4.50 1/ 7/1988 XW	69 3/4	10.16 12.17	6.45
40	1977 99.50	MAFINA B.V. 7.875 15/ 9/1984 P	86	12.23	9.16
40 40.0	1977 99.00	MAFINA B.V. 8.00 1/ 9/1987	83 1/4	11.51 12.52	9.61
30	1976 100.50	SOC NAT DE CREDIT IND P 8.25 15/10/1981	97 1/4	10.42	8.48
15	1977 100.00	SOLVAY FINANCE 7.75 1/ 3/1984	85	13.02	9.12
		US DOLLARS-BOLIVIA			
15	1977 100.00	BOLIVIA,REPUBLIC OF 10.25 15/ 4/1982 S	83 3/8	20.94	12.29
		US DOLLARS-BRAZIL			
35 21.2	1972 99.50	BRAZIL,REPUBLIC OF 8.25 1/12/1987 S	80	12.81 16.06	10.58
85	1977 100.00	BRAZIL,REPUBLIC OF 9.00 1/ 8/1982 S	94 3/8	12.37	9.76
75	1976 99.00	BRAZIL,REPUBLIC OF 9.25 1/ 1/1984	86 7/8	14.11	10.65
50	1976 100.00	BRAZIL,REPUBLIC OF 10.00 15/ 5/1980 S	96 1/2	11.10	10.68
50	1977 99.00	BANCO NAC DO DESEN ECON 9.25 1/ 7/1984	83 1/8	15.06	11.13
50	1977 100.00	LIGHT-SERVICOS DE ELEC 9.00 1/10/1982	89 3/4	14.60	10.03
		US DOLLARS-CANADA			
250	1978 100.20	CANADA 8.00 1/ 4/1983 S	95	10.32	8.60
250	1976 100.00	CANADA 8.20 1/10/1985 S	91 1/8	10.67	9.20
250	1978 99.75	CANADA 8.625 1/ 4/1998 S	81 3/8	11.34	10.88
400	1975 100.00	CANADA 9.00 15/10/1980 S	96 5/8	10.46	9.55
350	1978 100.00	CANADA 9.25 15/10/1998 S	86 1/4	11.31	11.01
50 45.0	1976 100.50	ALUMINUM CO OF CANADA 9.50 15/ 4/1988	93 1/8	10.83 11.16	10.48
30	1979* 99.50	AQUITAINE CO CANADA 11.25 15/ 1/1989	96 3/4	12.12	11.63
20 18.2	1976 100.00	AVCO FIN SERV-CANADA 9.25 15/ 9/1983	93 1/8	11.85 12.99	9.98
100	1977 100.00	BELL-CANADA 7.75 1/ 5/1987	84 3/8	11.10	9.19
60	1976 100.75	BELL-CANADA 8.75 15/ 7/1986	90 1/8	11.04	9.71
200	1976 99.25	BELL-CANADA 8.75 1/ 4/2006 S	80 1/8	11.40	11.22
200	1978 100.00	BELL-CANADA 9.00 15/ 1/2008 S	82 3/4	11.30	11.27
50	1980* 100.00	BN-RT 13.25 15/ 5/1985	103 1/4	12.39	12.83
20 15.5	1972 100.00	BRASCAN INT 8.25 1/10/1987	86	11.12 12.62	9.59
30	1976 100.00	BRASCAN INT 9.75 1/ 5/1982	94 3/4	12.99	10.29
75	1977 100.00	BRITISH COLUMBIA HYDRO 7.75 15/ 5/1985	86 5/8	11.43	8.95
150	1975 99.75	BRITISH COLUMBIA HYDRO 9.625 1/ 6/2005 S	87 3/8	11.44	11.32
20	1976 98.50	BUDD AUTO CO OF CANADA 9.50 15/ 4/1983	93	12.52	10.22

Issued (Est. O/S)	Year of issue / Issue price	Borrower / Coupon Maturity	Price	Yield to maturity / to average life	Current yield
		US DOLLARS-CANADA (CONTINUED)			
70	1978 99.00	CANADAIR 8.50 15/ 6/1985	93 3/8	11.07	9.08
85	1976 100.00	CANADIAN NAT RAIL CO 8.375 15/11/1986	87 3/8	11.20	9.59
150 150.0	1979* 99.75	CANADIAN NAT RAIL CO 9.70 15/ 7/2004 S	84 1/8	12.02 12.27	11.86
40 34.6	1977 100.50	CANADIAN PACIFIC-BERMUDA 8.25 1/ 7/1986	92 1/4	10.68 11.19	8.94
50 48.8	1979 100.00	CANADIAN PACIFIC LTD 9.75 15/ 5/1989	92 1/8	11.18 11.29	10.58
25 21.0	1977 99.50	CONSOLIDATED-BATHURST 9.00 1/10/1992	86 3/8	11.06 11.51	10.42
50 50.0	1979* 98.50	DOME PETROLEUM 10.00 15/ 7/1994	85 1/2	12.19 12.47	11.70
30	1980* 99.00	DOME PETROLEUM 13.50 1/ 5/1992	102 3/8	13.09	13.19
25	1978 99.00	DOMINION BRIDGE CO 9.00 15/ 6/1986	86 1/2	12.29	10.40
30	1979* 100.50	DOMINION BRIDGE CO 10.25 15/ 6/1984	94 1/2	12.04	10.85
125	1978 100.00	EXPORT DEVELOPMENT CORP 8.60 15/ 8/1983 S	95 1/2	10.54	9.21
150	1979 100.00	EXPORT DEVELOPMENT CORP 9.85 15/ 1/1984 S	97 7/8	10.84	10.32
100	1979 99.50	EXPORT DEVELOPMENT CORP 9.25 1/ 3/1984	94 3/8	11.13	9.80
150	1979* 100.00	EXPORT DEVELOPMENT CORP 9.75 1/ 9/1984	95 7/8	10.99	10.17
100	1980* 100.00	EXPORT DEVELOPMENT CORP 12.75 15/ 5/1987	105 1/8	11.63	12.13
250	1980* 100.00	EXPORT DEVELOPMENT CORP 14.00 1/ 3/1985 S	111 1/8	11.22	13.00
75	1980* 100.00	FEDERAL BUSINESS DEV BK 12.25 15/ 5/1985	103 1/2	11.28	11.84
25	1975 100.00	GENSTAR 10.00 15/11/1981	95 3/8	13.38	10.48
50 30.0	1979 98.50	GENSTAR 10.00 1/ 6/1989	91 3/4	11.32 11.61	10.90
20 19.0	1977 100.00	GREAT LAKES PAPER CO. 8.25 1/ 3/1986	89 3/4	12.29 12.82	9.75
25 22.5	1976 100.50	HOME OIL CO 9.50 1/ 7/1986	90	11.89 12.06	10.56
50 50.0	1979 101.00	HUDSON'S BAY 10.00 15/ 2/1994	90	11.46 11.76	11.11
250 250.0	1979* 99.81	IMPERIAL OIL LTD 9.75 15/ 9/2009 S	88 1/8	11.43 11.36	11.37
30	1977 100.00	INCO 8.25 15/12/1984	91 1/8	10.79	9.05
100	1977 100.00	INCO 9.00 15/12/1992	83 5/8	11.51	10.76
45	1976 100.00	IBM CANADIAN FINANCE 9.00 1/ 5/1982	93	13.35	9.68
35	1976 100.00	IBM CANADIAN FINANCE 9.40 1/ 5/1986	88 3/4	12.27	10.70
50 45.7	1977 100.00	MACMILLAN BLOEDEL 9.00 1/ 2/1992	85 1/8	11.34 11.64	10.57
50 46.7	1978 99.25	MACMILLAN BLOEDEL 9.25 15/ 3/1993	85 1/8	11.52 11.85	10.87
125	1976 99.50	MANITOBA HYDRO-ELECTRIC 9.25 30/ 6/2001 S	84 3/4	11.45	11.21
100	1974 99.75	MANITOBA HYDRO-ELECTRIC 9.25 15/ 6/2004 S	83 3/8	11.58	11.40
50	1976 100.00	MANITOBA,PROVINCE OF 8.75 15/ 4/1983	94 3/4	10.96	9.23
25 15.0	1975 99.50	MANITOBA,PROVINCE OF 9.25 30/ 4/1985	92	11.46 12.68	10.05
75	1979 99.00	MANITOBA,PROVINCE OF 9.50 15/ 3/1989	89 3/8	11.37	10.57
20 4.5	1970 100.00	MASSEY-FERGUSON FIN N.V. 9.00 15/ 1/1983	90	16.38 17.63	10.00
75	1976 100.00	MASSEY-FERGUSON FIN N.V. 9.50 1/ 6/1991	73 3/8	14.68	12.95
40 30.5	1975 100.50	MASSEY-FERGUSON FIN N.V. 9.75 1/ 7/1982	88	17.02 17.75	11.08
15 5.0	1970 100.00	MONTREAL,CITY OF 9.00 1/ 2/1985	91	11.57 13.16	9.89
50	1976 100.00	MONTREAL,CITY OF 9.25 15/ 2/1988	96 3/4	10.65	9.56
50	1975 100.00	MONTREAL,CITY OF 9.75 1/12/1981	97 5/8	11.46	9.99
75	1975 100.00	MONTREAL,CITY OF 9.85 15/ 7/1980 S	99 1/2	14.26	10.16
50	1978 99.50	MONTREAL URBAN COMM 8.75 1/ 6/1981	97 5/8	11.39	8.96
65 57.4	1975 100.00	MONTREAL URBAN COMM 10.875 1/10/2000 S	100 7/8	11.05 11.03	11.07
40 32.0	1976 100.00	NEW BRUNSWICK ELEC POWER COMM 9.00 15/ 1/1988	95 1/8	11.19 11.37	9.46
75 71.0	1979 99.50	NEW BRUNSWICK ELEC POWER COMM 9.875 1/ 3/1994	87 3/4	11.64 11.99	11.18
50	1977 99.50	NEW BRUNSWICK,PROV OF 8.00 15/ 7/1984	90 3/8	11.30	8.85
35	1976 100.75	NEW BRUNSWICK,PROV OF 8.75 1/ 8/1988	94 5/8	10.82	9.25
75	1979 99.32	NEW BRUNSWICK,PROV OF 10.125 15/ 1/2004 S	88 5/8	11.87	11.75
25	1976 100.00	NEWFOUNDLAND & LAB HYDRO 9.75 15/ 3/1986	91 3/8	11.87	10.67
35	1976 100.50	NEWFOUNDLAND MUN FIN 9.25 15/ 9/1985	88 7/8	11.39	10.41
20 11.6	1971 99.50	NEWFOUNDLAND,PROVINCE OF 8.50 1/ 3/1986	86	11.98 14.03	9.88
50	1979 100.50	NEWFOUNDLAND,PROVINCE OF 9.00 15/ 2/1989	86	11.62	10.47
75	1977 100.00	NEWFOUNDLAND,PROVINCE OF 9.125 1/ 9/2002 S	80 1/8	11.96	11.38
50	1978 100.50	NEWFOUNDLAND,PROVINCE OF 9.25 1/ 6/1990	88 5/8	11.38	10.68
50	1979 99.50	NEWFOUNDLAND,PROVINCE OF 10.00 15/ 3/1994	89 3/4	11.50	11.14

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US DOLLARS–SWEDEN (CONTINUED)

Amount issued / Offer	Year of issue / Issue price	Borrower / Coupon maturity	Price	Yield to maturity / Yield to avge. life	Current yield
20 / 13.9	1975 / 98.00	GRANGES 9.75 1/ 3/1985	91 1/4	12.21 / 12.66	10.68
30 / 40.0	1976 / 100.00	HOLMENS 8.00 15/11/1983	95 3/8	9.60 / 10.73	8.39
20 / 7.2	1966 / 97.25	L.M. ERICSSON 6.50 15/ 3/1986 S	80 1/2	11.47 / 14.63	8.24
35	1976 / 100.00	L.M. ERICSSON 8.50 15/ 9/1983	92 1/4	11.42	9.21
30 / 26.0	1977 / 100.50	L.M. ERICSSON 8.50 15/ 4/1989	85 3/8	11.17 / 11.98	9.96
30 / 16.9	1970 / 99.50	L.M. ERICSSON 9.25 1/12/1985	95 1/4	10.40 / 10.49	9.71
35 / 30.4	1976 / 100.00	L.M. ERICSSON 9.25 15/ 9/1991	87 1/2	11.24 / 11.42	10.57
25	1976 / 100.00	MO OCH DOMSJO 9.00 15/10/1986	77 1/2	14.63	11.61
25	1976 / 100.00	MO OCH DOMSJO 9.50 15/ 2/1985	86 5/8	15.86	10.97
50	1977 / 99.25	SAAB-SCANIA 8.50 15/ 3/1989	78 7/8	12.59	10.78
25 / 11.3	1971 / 98.50	SANDVIK 9.00 1/ 6/1986 S	87 1/8	12.33 / 13.86	10.58
30 / 24.0	1976 / 100.50	SANDVIK 9.50 15/ 4/1986	91 1/2	11.56 / 12.16	10.38
30 / 25.0	1972 / 100.25	SCARRAFF 7.50 15/12/1986	82	10.36 / 11.45	9.26
30 / 26.5	1973 / 99.75	SCARRAFF 8.625 15/10/1988	87 1/4	11.01 / 11.59	9.89
40 / 35.1	1976 / 100.00	SKANDINAVISKA ENSKILDA 9.00 1/12/1981	86	11.21	10.47

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CANADIAN DOLLARS (CONTINUED)

Issued Est. O/S (Amount)	Year of issue / Issue price	Borrower / Coupon Maturity	Price	Yield to maturity / to aver. life	Current yield
15	1976 100.00	BANQUE CANADIENNE NAT 9.25 15/ 4/1982	94 7/8	12.44	9.75
20	1976 99.50	B.C CENTRAL CREDIT UNION 9.75 22/12/1981	94 7/8	13.49	10.28
25	1977 100.00	BM-RT 8.75 1/ 6/1982	94 1/4	12.15	9.28
60	1979* 100.00	BELL CANADA 10.75 1/10/1986	94 1/8	12.10	11.42
50	1977 99.00	BENEFICIAL FIN INT 9.00 15/ 2/1984	90 1/2	12.30	9.94
30	1975 100.00	BENEFICIAL FIN INT 9.50 15/ 7/1980	98 7/8	18.62	9.61
25	1975 100.00	BENEFICIAL FIN INT L 9.75 15/12/1982	93 1/4	12.96	10.46
20	1975 100.00	BENEFICIAL FIN INT 10.25 15/10/1981	96 1/2	13.07	10.62
25	1975 100.00	BORG-WARNER ACCEPT-CAN 10.25 1/12/1980	96 1/2	17.65	10.62
25	1977 100.00	BRITISH COLUMBIA M.F.A L 9.00 1/ 6/1997	89	10.41	10.11
15 7.5	1974 99.00	BRITISH COLUMBIA M.F.A 9.25 15/ 5/1981	95 5/8	14.43	9.67
25	1975 99.00	BRITISH COLUMBIA M.F.A 9.25 30/ 6/1982	94	12.68	9.84
24	1979 100.00	BRITISH COLUMBIA M.F.A L 10.25 15/ 5/1999	89 1/4	11.68	11.48
20	1976 99.00	CALGARY POWER 9.75 15/ 3/1982	95 1/2	12.47	10.21
25	1976 100.00	CANADA PERM MORT CORP 9.75 1/11/1981	95 3/8	13.42	10.22
25	1976 100.00	CANADA TRUSTCO MORTGAGE 9.25 1/12/1981	95 1/2	12.62	9.69
35	1977 100.00	CANADIAN ACCEPTANCE P 9.375 15/10/1982	91 3/8	13.80	10.26
50	1980* 99.50	CANADIAN IMP BK COMMERCE 13.50 15/ 5/1985	103 1/2	12.50	13.04
60	1977 99.25	CANADIAN NAT RAIL CO 8.875 1/ 3/1987	87 3/8	11.66	10.16
35	1976 100.00	CANADIAN PACIFIC SECS 9.25 15/ 4/1983	94 7/8	11.42	9.75
35	1975 100.50	CANADIAN PACIFIC SECS 9.75 15/12/1981	96 5/8	12.18	10.09
25	1977 100.00	CHRYSLER CREDIT - CANADA 9.25 15/ 6/1982	70	31.21	13.21
30	1976 99.00	CHRYSLER CREDIT - CANADA 9.50 15/10/1982	70	28.34	13.57
20	1976 100.00	CONS CREDIT CORP -CANADA 9.75 15/ 5/1981	95 1/4	15.42	10.24
30	1977 100.00	CREDIT FONCIER F-CAN 8.75 15/ 3/1982	93 3/8	13.26	9.37
30	1976 100.00	CREDIT FONCIER F-CAN 9.75 15/ 2/1981	97 1/8	14.09	10.04
25	1976 100.00	CREDIT FONCIER F-CAN 9.75 15/ 7/1981	96 3/8	13.36	10.12
30	1979* 100.00	CREDIT FONCIER F-CAN 10.375 15/ 9/1984	92 1/8	12.83	11.26
15	1977 100.00	DRESSER IND (CANADA) P 8.50 15/ 3/1982	90	15.22	9.46
50	1976 100.00	DU PONT OF CANADA 9.50 15/ 2/1981	97	14.04	9.79
50	1976 100.50	EUROPEAN COAL & STEEL 9.00 15/ 3/1983	93 1/2	11.83	9.63
25	1977 100.50	EUROPEAN COAL & STEEL 9.00 15/ 4/1984	91 7/8	11.71	9.80
50	1979 100.00	EXPORT DEVELOPMENT CORP 10.00 15/ 5/1984	95 3/8	11.51	10.48
25	1975 100.00	FIRST CANADIAN INVEST 10.00 1/ 1/1981	97	15.41	10.31
50	1979 100.50	FIRST CANADIAN INVEST 10.00 15/ 5/1984	93 7/8	12.03	10.65
20	1977 100.00	FORD MOTOR CREDIT-CANADA 8.50 15/ 5/1984	90 7/8	11.49	9.35
20	1977 99.50	FORD MOTOR CREDIT-CANADA 8.75 15/ 5/1987	86 3/8	11.72	10.13
50	1976 98.50	FORD MOTOR CREDIT-CANADA 9.25 1/ 2/1983	92 5/8	12.62	9.99
40	1976 100.00	FORD MOTOR CREDIT-CANADA 9.50 15/ 7/1982	94 1/4	12.72	10.08
40	1975 100.00	FORD MOTOR CREDIT-CANADA 9.75 1/11/1980	96 5/8	18.29	10.09
5	1976 100.00	GENELCAN D 9.00 15/11/1981	91 1/2	15.84	9.84
10	1975 100.00	GENELCAN D 9.50 1/12/1982	89 3/4	14.60	10.58
25	1977 100.00	GENERAL FOODS LTD 8.50 1/ 5/1984	90 5/8	11.60	9.38
30	1976 100.50	GEN MOTORS ACCEPTANCE 9.00 15/10/1981	96 1/8	12.13	9.36
50	1976 100.00	GEN MOTORS ACCEPTANCE 9.00 1/ 2/1982	95 5/8	11.97	9.41
40	1976 100.00	GEN MOTORS ACCEPTANCE 9.25 1/ 6/1983	92 5/8	12.34	9.99
50	1975 100.00	GEN MOTORS ACCEPTANCE 9.50 15/10/1981	96 3/4	12.10	9.82
50 50.0	1976 100.00	GEN MOTORS ACCEPTANCE 9.50 1/ 2/1986	91 5/8	11.57 12.26	10.37
30 30.0	1976 100.00	GEN MOTORS ACCEPTANCE 9.75 15/10/1988	91 3/8	11.38 11.75	10.67
50	1980* 99.75	GEN MOTORS ACCEPTANCE 12.00 15/ 6/1985	98 3/4	12.34	12.15
25	1977 100.00	WALTER E.HELLER (CAN) 9.50 15/ 7/1984	83 5/8	15.09	11.36
15	1976 98.50	WALTER E.HELLER (CAN) 9.75 15/ 6/1981	95 1/4	14.98	10.24
35	1975 100.50	HUDSON'S BAY 10.25 15/11/1981	95 7/8	13.42	10.69
60 60.0	1979 100.00	HUDSON'S BAY 10.50 15/ 4/1989	91 5/8	12.08 12.35	11.46
25	1976 100.00	IAC LIMITED 9.50 15/ 5/1981	95 1/2	14.85	9.95

CANADIAN DOLLARS (CONTINUED)

Issued Est. O/S (Amount)	Year of issue / Issue price	Borrower / Coupon Maturity	Price	Yield to maturity / to aver. life	Current yield
25	1977 100.00	INT HARVESTER CREDIT-CAN 8.75 1/ 2/1983	85 1/8	15.95	10.28
25 22.0	1976 99.50	INT HARVESTER CREDIT-CAN 9.75 15/ 4/1986	88 5/8	12.39 13.22	11.00
30	1975 100.50	INT HARVESTER CREDIT-CAN 10.25 1/ 9/1981	94	15.76	10.90
25	1976 100.00	IAC CANADIAN FINANCE 9.50 1/ 8/1982	93 3/4	12.84	10.13
25 22.5	1976 100.00	IAC CANADIAN FINANCE 10.00 1/ 8/1986	93 1/2	11.51 11.78	10.70
30	1976 99.50	KINROSS MORT-CORP 9.25 15/ 6/1982	94 3/4	12.30	9.76
20	1977 100.00	LAURENTIDE FIN CORP 9.50 30/ 6/1982	92 1/4	14.01	10.30
20	1976 99.00	LAVAL, CITY OF 10.00 1/ 7/1996	90 1/2	11.30	11.05
25	1977 100.50	MAN HAN LEASING CANADA 8.25 15/ 5/1982	93 1/8	12.41	8.86
15 15.0	1975 99.50	MANITOBA, PROVINCE OF 9.25 30/ 4/1985	92 1/4	11.38 12.57	10.03
40	1979 99.00	MONTREAL, CITY OF 10.00 1/ 6/1989	83	13.36	12.05
5	1975 98.50	MONTREAL EAST, TOWN OF 9.75 18/ 7/1982	87	17.51	11.21
28 19.0	1975 100.00	NEWFOUNDLAND, PROVINCE OF 9.50 15/ 5/1983	93 3/8	12.30 12.39	10.17
30	1975 100.25	NEWFOUNDLAND, PROVINCE OF 10.25 15/12/1985	93	12.01	11.02
10	1975 99.50	NORANDA MINES 9.75 1/11/1980	97	17.26	10.05
25	1976 100.00	NORANDA MINES 9.75 15/ 7/1982	94 1/2	12.83	10.32
20	1976 99.50	NORCEN 9.75 15/ 4/1983	95 3/4	11.55	10.18
18	1974 99.25	NOVA SCOTIA POWER L 9.50 1/ 7/1994	96 1/8	10.02	9.88
30	1976 100.00	NOVA SCOTIA, PROVINCE OF 9.00 15/12/1983	91 7/8	11.90	9.80
35	1976 100.50	PANCANADIAN PETROL 9.75 15/11/1983	93 1/8	12.25	10.47
5	1975 98.50	POINTE-AUX-TREMBLES 9.75 18/ 7/1982	80	22.48	12.19
10	1976 100.00	PROVINCIAL BANK-CANADA 9.50 15/ 2/1982	93	14.91	10.22
15	1975 100.00	QUEBEC, CITY OF L 10.00 15/11/1995	93 1/2	10.87	10.70
15	1974 100.00	QUEBEC, CITY OF L 10.75 15/10/1994	99	10.87	10.86
50	1975 99.00	QUEBEC HYDRO-ELECTRIC 9.50 15/10/1981	96 3/8	12.42	9.86
50	1979 100.00	QUEBEC, PROVINCE OF 10.25 15/ 4/1986	93 1/2	11.83	10.96
15	1977 100.00	QUEBEC URBAN COMMUNITY 9.50 3/ 2/1982	90	16.71	10.56
15	1977 99.00	QUEBEC URBAN COMMUNITY 9.50 15/ 9/1984	86	14.02	11.05
15	1976 98.50	QUEBEC URBAN COMMUNITY 9.75 26/ 5/1983	90	14.07	10.83
20	1977 100.00	RANK OVERSEAS HOLDINGS 9.50 15/ 6/1982	92	14.27	10.33
40	1977 100.00	ROYAL BANK OF CANADA 8.00 15/ 2/1984	90 3/4	11.15	8.82
35	1976 100.00	ROYAL BANK OF CANADA 8.75 1/ 4/1982	95 3/4	11.40	9.14
40 40.0	1977 100.00	ROYAL BANK OF CANADA 9.00 15/ 2/1992	87 5/8	10.91 11.14	10.27
35 35.0	1976 100.00	ROYAL BANK OF CANADA 9.50 1/ 4/1988	94 3/4	10.30 10.83	10.03
40	1979 100.50	ROYAL BANK OF CANADA 10.00 15/ 5/1986	93 3/8	11.60	10.71
40 40.0	1979 100.00	ROYAL BANK OF CANADA 10.00 15/ 5/1994	88 1/4	11.75 11.89	11.33
20	1976 100.00	ROYAL TRUST CO MORTGAGE 9.50 15/ 2/1981	97	14.04	9.79
20	1976 100.00	ROYAL TRUST CO MORTGAGE 9.75 1/ 9/1982	94	12.93	10.37
30	1975 100.00	ROYMARINE LEASING 9.50 15/10/1980	97 3/4	15.66	9.72
30	1976 100.50	ROYNOR 9.75 1/ 2/1982	95 1/2	12.82	10.21
15	1975 99.75	ROYNAT 9.50 1/ 9/1980	98 1/8	17.07	9.68
20	1976 99.50	ROYNAT 9.50 1/ 7/1981	96 1/4	13.39	9.87
20	1976 99.50	SIMPSON-SEARS ACC.CO 9.75 1/ 8/1983	93 1/2	12.32	10.43
25	1976 100.00	TEXASGULF CANADA 9.50 15/ 6/1982	95 1/4	12.26	9.97
25 22.5	1976 99.25	TEXASGULF CANADA 10.00 15/ 6/1986	94 3/4	11.24 11.47	10.55
50	1976 100.50	TORONTO-DOMINION BANK 9.00 1/ 4/1982	95 1/8	12.07	9.46
35	1975 100.50	TORONTO-DOMINION BANK 9.75 1/11/1981	96 3/4	12.27	10.08
30	1980* 99.50	TORDOM CORPORATION 13.50 15/ 5/1985	103 3/8	12.54	13.06
25	1976 100.00	TRADERS GROUP 9.75 15/ 9/1982	93 7/8	13.77	10.39
15	1975 100.00	TRANS UNION FIN (CANADA) 10.50 1/12/1980	97 3/4	15.07	10.74
30	1976 100.00	UNION CARBIDE OF CANADA 9.25 1/ 5/1982	95 3/8	12.07	9.70
30 25.5	1976 99.00	UNION CARBIDE OF CANADA 9.75 1/ 5/1986	91 3/8	11.85 12.14	10.67

EUROGUILDERS

Issued Est. O/S (Amount)	Year of issue / Issue price	Borrower / Coupon Maturity	Price	Yield to maturity / to aver. life	Current yield
60	1977 99.50	AKZO 7.50 1/10/1984	92	9.83	8.15
50	1976 99.50	AKZO 10.00 1/10/1981	99 3/4	10.22	10.03

EUROGUILDERS (CONTINUED)

Issued Est. O/S (Amount)	Year of issue / Issue price	Borrower / Coupon Maturity	Price	Yield to maturity / to aver. life	Current yield
75	1978 99.50	ALGEMENE BANK 6.25 15/ 5/1983	91 3/4	9.58	6.81
75	1979* 100.00	ALGEMENE BANK NEDERLAND 8.25 15/ 9/1984	97 1/2	8.95	8.46
75	1976 99.75	ALUSUISSE INT 8.25 15/ 3/1983	98 3/4	8.75	8.35
75 75.0	1979* 100.00	AMEV 8.50 1/10/1986	95 3/4	9.40 9.53	8.88
75	1975 99.50	AMRO BANK 8.25 15/ 9/1982	98 3/8	9.58	8.39
75	1976 99.50	AMRO BANK 9.25 1/11/1981	99 3/8	9.66	9.31
70	1978 100.00	AMRO BANK 7.00 1/ 3/1983	93 3/8	9.84	7.50
60	1980* 100.00	AMRO BANK 10.25 1/ 6/1985	102 3/4	9.53	9.98
75	1976 99.75	ASIAN DEVELOPMENT BANK 8.25 1/ 3/1983	96 3/4	9.62	8.53
100	1976 100.00	AUSTRALIA, COMMONWEALTH 8.00 1/ 6/1983	96 7/8	9.24	8.26
75	1977 99.75	AUSTRIA, REPUBLIC OF 7.25 15/11/1984	92 3/4	9.29	7.82
70	1975 100.00	AUSTRIA, REPUBLIC OF 8.25 15/ 7/1982	98	9.31	8.42
75	1975 100.00	AUSTRIA, REPUBLIC OF 9.25 1/ 3/1982	100	9.20	9.25
50	1975 99.25	AUSTRIAN ELECTRICITY 8.75 15/ 5/1982	99 1/4	9.18	8.82
75	1978 100.00	BANK MEES & HOPE 7.00 1/ 4/1983	93 1/2	9.71	7.49
75	1977 100.00	BANK MEES & HOPE 7.75 15/ 5/1982	97	9.49	7.99
60	1975 99.75	BANK MEES & HOPE 8.25 15/12/1981	98 1/4	9.46	8.40
75	1978 99.50	BRAZIL, REPUBLIC OF 7.50 1/ 7/1983	90 3/8	11.36	8.30
75	1978 99.00	C.F.E. — MEXICO 7.75 1/ 8/1983	93 5/8	10.18	8.28
60	1975 99.50	DUTCH STATE MINES 9.25 1/ 4/1982	99 1/8	9.76	9.33
40 30.0	1976 99.50	EERSTE NEDER. CEMENT 8.50 15/ 4/1983	98 1/8	9.26 9.81	8.66
50	1975 99.75	EUROFIMA 8.50 1/ 5/1982	98 7/8	9.15	8.60
60	1976 99.75	EUROPEAN COAL & STEEL 8.00 15/ 2/1983	96 5/8	9.44	8.28
50 30.0	1972 100.00	EUROPEAN INVESTMENT BANK 6.00 15/ 9/1982	95 5/8	8.15 9.72	6.27
75	1978 99.50	EUROPEAN INVESTMENT BANK 7.25 1/10/1985	91 1/2	9.33	7.92
75	1976 99.75	EUROPEAN INVESTMENT BANK 8.00 15/ 4/1983	96 1/4	9.54	8.31
75	1977 100.00	EUROPEAN INVESTMENT BANK 8.00 15/ 2/1984	95 5/8	9.43	8.37
75	1978 99.00	EUROPEAN INVESTMENT BANK 8.25 1/ 1/1986	96 3/8	9.09	8.56
75	1975 100.00	EUROPEAN INVESTMENT BANK 9.00 1/ 3/1982	99 3/8	9.36	9.06
25 25.0	1979* 99.50	FRIESCH-GRONINGSCHE HYPO 8.75 1/11/1986	96 1/4	9.98 10.29	9.28
75	1977 99.50	MEXICO, UTD STATES OF 8.25 15/ 7/1982	97	9.86	8.51
60	1980* 100.00	NATIONALE NEDERLANDEN 10.00 1/ 3/1987	101 3/8	9.70	9.86
25	1980* 99.50	NEDERLANDSE CREDIETBANK 10.00 15/ 3/1985	100 1/4	9.91	9.98
75	1978 99.50	NEDER MIDDENSTANDSBANK 6.50 1/ 6/1983	92 3/8	9.54	7.04
75	1979 100.00	NEDER MIDDENSTANDSBANK 8.25 1/ 4/1984	96 3/8	9.40	8.56
50	1979* 99.50	NEDERLANDSE GASUNIE P 8.75 1/ 7/1984	99 1/4	8.97	8.82
75	1978 100.00	NEW ZEALAND, GOVT OF 6.75 1/ 7/1984	92 1/2	9.02	7.30
75	1977 99.75	NEW ZEALAND, GOVT OF 8.00 1/ 3/1983	96 3/4	9.37	8.27
75	1975 100.00	NEW ZEALAND, GOVT OF 8.25 15/11/1981	98	9.71	8.42
75	1975 99.00	NEW ZEALAND, GOVT OF 9.00 1/ 3/1982	100 1/2	8.64	8.96
75	1976 99.25	NORGES KOMMUNALBANK 7.75 1/ 4/1981	97 5/8	10.80	7.94
100	1978 99.25	NORWAY, KINGDOM OF 6.50 1/ 4/1983	93	9.41	6.99
100	1977 99.50	NORWAY, KINGDOM OF 6.75 1/10/1982	94 3/4	9.32	7.12
100	1977 99.00	NORWAY, KINGDOM OF 7.75 1/ 4/1982	97 7/8	9.03	7.92
100	1975 99.25	NORWAY, KINGDOM OF 8.00 15/11/1980	98 5/8	10.99	8.11
100	1979 99.50	NORWAY, KINGDOM OF 8.25 15/ 3/1984	97 3/8	9.08	8.47
100	1979* 99.50	NORWAY, KINGDOM OF 8.25 1/10/1984	97 3/8	8.98	8.47
75	1976 99.50	NORWAY, KINGDOM OF 8.50 15/ 7/1981	98 1/2	9.93	8.63
75	1975 99.50	OSLO, CITY OF 8.25 1/ 7/1982	97	9.89	8.51
75	1976 100.00	OSLO, CITY OF 8.25 1/ 1/1984	95 5/8	9.72	8.63
75	1978 99.50	OSTERREICHE KONTROLLBANK 6.50 15/ 5/1985	89 3/8	9.27	7.27
75	1977 99.50	OSTERREICHE KONTROLLBANK 7.25 1/ 8/1982	95 1/8	9.83	7.62
75	1976 100.00	PHILIPS LAMPS 7.75 15/ 5/1981	98	10.02	7.91
75	1975 100.00	PHILIPS LAMPS 8.25 1/10/1981	98	9.85	8.42
75	1979* 100.00	PHILIPS LAMPS P 8.25 15/10/1984	97 3/4	8.87	8.44

31st MAY 1980

WestLB Euro-Deutschmarkbond Quotations and Yields

Advertisement

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
8% ADELA 76/83	89.50	8.94	12.60	2.83	1. 4.83
7¼% ADELA 77/82 PP	80.00	9.06	20.12	2.04	16. 6.82
7% ADELA 77/82 PP	78.00	8.97	20.51	2.17	1. 8.82
6% AEG 66/81	98.50	6.09	8.32	0.67	1. 2.72—81D
7¾% African Dev. Bank 79/86	96.00	8.07	8.63	6.00	1. 6.86
8% African Dev. Bank 79/87	85.25	8.40	8.89	7.42	1.11.87
6½% Airport Paris 69/84 PP (G)	95.50	6.81	8.81	2.20	1. 3.75—84D
9% AKZO 75/82 PP	99.87	9.01	9.03	1.67	1. 2.82
7¾% AKZO 76/83 PP	95.50	8.12	9.55	3.00	1. 6.83
6% AKZO 78/84 PP	89.50	6.70	9.37	3.83	1. 4.84
6½% AKZO 79/86 PP	90.75	7.18	8.59	5.75	1. 3.86
9% AKZO 80/90	102.50	8.78	8.55	7.87	15. 5.86—90S
8¼% Alusuisse Int'l. 75/83	102.00	8.09	7.19	2.14	1. 8.81—83D
5½% American Expr. Int'l. 79/87	89.50	6.15	7.56	6.62	15. 1.87
6¾% AMEX Int'l. 77/84 PP	94.00	7.18	8.64	3.83	1. 4.84
10% A.P.E.L. 74/81 (G)	101.25	9.88	8.52	0.98	1.12.77—81D
7¾% ARBED Finance 76/83 PP	94.75	8.18	9.59	3.42	1.11.83
6¾% ARBED Finance 77/87	89.25	7.56	8.88	7.00	1. 6.83—87S
7½% ARBED Finance 79/86 PP	92.00	8.15	9.21	6.33	1.10.86
8¾% Ardal-Sunndal 76/81 PP	99.00	8.84	9.73	1.08	1.7.81
6¾% Ardal-Sunndal 77/89 PP	88.00	7.67	9.73	5.34	1. 7.82—89D
7½% Argentine 77/84	94.25	7.96	9.14	4.33	1.10.84
6½% Argentine 78/86	85.50	7.60	10.52	4.75	1. 3.85
6½% Argentina 78/88	83.00	7.83	10.27	6.32	1.11.84—88D
7½% Argentina 79/89	87.50	8.57	9.65	8.92	1. 5.85—89S
7% Asian Dev. Bk. 69/84	97.50	7.18	7.84	4.25	1. 9.75—84S
8½% Asian Dev. Bk. 75/80 PP	98.50	8.63	11.77	0.46	16.11.80
8% Asian Dev. Bk. 76/82	99.00	8.08	8.60	1.75	1.3.82
7¾% Asian Dev. Bk. 76/83 PP	98.50	7.87	8.35	2.83	1. 4.83
7% Asian Dev. Bk. 77/85	94.00	7.45	8.56	4.83	1. 4.85
5½% Asian Dev. Bk. 78/88	83.25	6.61	8.49	7.92	1. 5.88
7¼% Asian Dev. Bk. 79/89	92.60	7.83	8.43	9.17	1. 8.89
10% Asian Dev. Bk. 80/90	108.75	9.20	8.65	9.92	1. 5.90
7½% Aumar 73/88 (G)	94.00	7.98	9.57	3.93	1. 2.79—88D
9% Aumar 76/84 (G)	100.00	9.00	8.98	4.21	15. 8.77—84S
7¾% Aumar 77/84 (G)	96.00	8.07	8.95	4.08	1. 7.84
6½% Australia 67/82	99.95	6.50	6.50	2.42	1.11.73—82S
6¾% Australia 68/83	99.95	6.75	6.88	3.17	1. 8.74—83S
6½% Australia 69/84	98.50	6.53	6.76	3.67	1. 2.75—84S
7¼% Australia 69/84	100.00	7.25	7.38	4.42	1.11.75—84S
7% Australia 72/87	99.50	7.04	7.09	6.67	1. 2.78—87S
10% Australia 74/80	100.50	9.95	8.14	0.33	1.10.80
9% Australia 75/82	102.50	8.78	7.31	1.67	1. 2.82
8¼% Australia 75/82 I PP	100.25	8.23	8.07	1.83	1. 4.82
8¼% Australia 75/82 II PP	100.75	8.19	7.80	1.92	1. 5.82
7¼% Australia 76/83	99.75	7.27	7.33	2.75	1. 3.83
5¼% Australia 77/82 PP	93.25	5.63	8.54	2.33	1.10.82
5¾% Australia 77/89	88.00	6.53	7.57	9.42	1.11.85—89S
6% Australia 78/88	91.50	6.56	7.41	8.25	1. 9.88
6% Australia 80/87 PP	98.50	6.12	8.28	7.50	1.12.87
8¼% Australia 80/90	100.90	8.05	7.98	9.75	1. 3.90
6¾% Austr. Ind. Dev. Corp. 72/87	97.00	6.96	7.69	3.72	1.11.78—87D
8% Austr. Ship. Com. 76/83 PP (G)	101.00	7.92	3.79	0.25	1. 9.83
7% Rep. of Austria 68/82	98.50	7.11	8.04	1.83	1. 4.73—82S
6½% Rep. of Austria 69/83	99.95	6.50	6.62	2.83	1. 4.75—83S
9¾% Rep. of Austria 74/80 PP	99.75	9.77	10.10	0.42	1.11.80
9¾% Rep. of Austria 74/81 PP	100.00	9.75	9.67	1.50	1.12.81
8¼% Rep. of Austria 75/81 PP	99.25	8.31	9.07	1.00	1. 6.81
8¾% Rep. of Austria 75/82 PP	100.00	8.75	8.71	1.32	1. 4.79—82D
9% Rep. of Austria 75/83	102.25	8.80	8.00	2.67	1. 2.83
8¾% Rep. of Austria 75/83 PP	100.00	8.75	8.72	1.81	1. 4.79—83D
8½% Rep. of Austria 75/87	101.00	8.42	8.19	3.95	1. 5.78—87S
7¾% Rep. of Austria 76/86	100.00	7.75	7.75	5.92	2. 5.83—86S
6¾% Rep. of Austria 77/85	95.50	7.07	7.90	4.83	1. 4.83—85S
7% Rep. of Austria 77/87 PP	94.75	7.39	8.43	4.50	1. 1.83—87D
6¾% Rep. of Austria 77/87 PP	93.50	7.22	8.04	6.67	1. 2.83—87D
6% Rep. of Austria 77/87 PP	89.00	6.74	8.71	5.69	1. 9.84—87D
5¾% Rep. of Austria 78/88 PP	87.50	6.57	8.47	6.04	15. 7.84—88D
5¾% Rep. of Austria 78/90	85.00	6.76	7.91	10.42	1.11.85—90D
6¾% Rep. of Austria 79/84 PP	95.00	7.11	8.18	4.25	1. 9.84
7% Rep. of Austria 79/87 PP	93.50	7.49	8.22	7.25	1. 9.87
6¼% Rep. of Austria 79/89 PP	89.00	7.02	8.65	6.05	1. 2.84—89D
7¼% Rep. of Austria 79/89 PP	93.50	7.75	8.27	9.25	1. 9.89
7% Autopistas Cataluna 78/85 PP	92.00	7.61	9.18	4.62	16. 1.85
7¼% Autopistas Espanola 69/84 (G)	97.00	7.47	8.29	4.08	1. 7.73—84S
8% Autopistas Espanola 71/86 (G)	98.00	8.16	8.92	3.16	1.10.77—86D
6¾% Autopistas Espanola 72/87 (G)	93.00	7.26	9.09	3.61	1.10.87D
7¼% Autopistas Espanola 79/85 PP (G)	93.50	7.75	8.97	4.75	1. 3.85
7¼% Banco N. Desarrollo 79/86 (G)	88.50	8.19	9.96	5.75	1. 3.86
8% Banco N. Obras 71/86 (G)	99.00	8.08	8.37	6.42	1.11.77—86S

WestLB SD Certificates (Schuldschein-Index)

5 years maturity: 8.40%

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
9% Banco N. Obras 76/81 (G)	98.75	9.02	9.15	1.25	1. 9.81
7¼% Banco N. Obras 77/82 PP (G)	96.50	7.51	9.04	2.21	16. 8.82
7% Banco N. Obras 77/82 PP (G)	95.75	7.31	9.03	2.37	16.10.82
7% Banco N. Obras 77/84 (G)	94.25	7.43	8.63	4.33	1.10.84
5¾% Bk. America Overs. Fin. 78/90	86.40	6.66	7.69	10.42	1.11.90
6% Bank of Tokyo 78/86 PP	88.00	6.82	8.76	5.67	1. 2.86
7½% Banque Ext. Algerie 77/83	93.25	8.04	9.92	3.37	15.10.81—83D
7¼% Banque Ext. Algerie 78/85	87.50	8.29	10.97	4.38	1.11.83—85D
7¼% Banque Nat. Algerie 78/83	89.00	8.15	12.16	2.75	1. 3.83
6¾% Barclays Overs. Inv. 79/89	93.00	7.26	7.87	8.92	1. 5.89
8% Barlow Rand Inv. 78/82 I PP	96.25	8.31	9.84	2.21	15. 8.82
8% Barlow Rand Inv. 78/82 II PP	96.25	8.31	9.87	2.29	15. 9.82
6% BASF 65/80	99.75	6.02	6.65	0.33	1.10.71—80D
7½% BEC Finance 78/83 PP	96.00	7.81	8.88	3.42	1.11.83
8% Beecham Fin. 76/83	100.25	7.98	7.89	3.42	1.11.83
8¾% Bergen 75/85	101.00	8.66	8.33	2.84	1. 5.81—85D
7¼% Bergen 77/89	96.40	7.52	8.24	4.40	1. 2.81—89D
8¼% BFCE 75/83 (G)	102.50	8.05	6.90	2.06	1. 7.81—83S
8¼% BFCE 76/84 (G)	102.00	8.09	7.49	3.06	1. 7.82—84S
7% BFCE 77/87 (G)	96.75	7.24	7.63	6.67	1. 2.83—87S
5¾% BFCE 78/88 (G)	86.75	6.63	8.14	7.62	15. 1.86—88S
7¾% BFCE 80/87 (G)	98.25	7.89	8.09	6.62	15. 1.87
8⅛% BFCE 80/95 (G)	98.25	8.27	8.33	14.62	15. 1.88—95S
8½% BNDE 77/87	96.00	8.85	9.89	4.20	1. 4.83(82-87)
6¾% BNDE 78/86	85.90	7.86	10.09	5.75	1. 3.86
9% Borregaard 75/81 PP	99.50	9.05	9.58	0.92	1. 5.81
6½% Borregaard 77/84 PP	91.00	7.14	9.09	4.33	1.10.84
8½% Brascan Int'l. 73/88	101.25	8.40	8.12	4.27	1.10.79—88S
6¾% Brazil 72/87	91.50	7.38	8.33	7.33	1.10.76—87S
8¼% Brazil 76/86	99.30	8.31	8.88	6.33	1.10.82(80-86)
7¾% Brazil 77/84	94.10	8.24	9.62	3.92	1. 5.84
6¾% Brazil 78/85	89.50	7.54	9.63	4.67	1. 2.85
7¼% Brazil 79/87	90.00	8.06	9.33	6.58	1. 1.87
8% Brazil 79/87	95.50	8.38	8.87	7.17	1. 8.87
6¾% Bremner 68/83 (G)	98.50	6.85	7.42	3.17	1. 8.74—83S
5¾% Bruxelles-Lambert 77/84 PP	88.00	6.53	9.07	4.54	15.12.84
8½% Burmah Oil 70/85	99.30	8.56	8.98	2.79	1.11.76—85D
4¾% Canada 78/83	92.75	5.12	7.56	2.97	20. 5.83
5% Canada 78/84	91.75	5.45	7.49	3.94	10. 5.84
6% Carlsberg-Tuborg 77/87 PP	87.00	6.90	8.39	7.50	1.12.85—87D
8½% C.C.C.E. 75/85 (G)	100.50	8.46	8.27	2.75	1. 4.81—85D
8½% C.C.C.E. 76/86 (G)	102.50	8.29	7.82	4.54	1. 7.83—86D
7% C.C.C.E. 77/89 (G)	95.00	7.37	7.80	8.83	1. 4.81—89D
5½% C E C A 65/83	96.00	5.73	7.94	1.81	1. 4.71—83D
7½% C E C A 71/86	100.00	7.50	7.49	3.31	1. 5.77—86D
6½% C E C A 72/87	93.50	6.95	8.51	3.92	1. 7.78—87D
7% C E C A 72/88	94.50	7.41	8.71	3.87	2. 1.79—88D
6½% C E C A 73/88	93.25	6.97	8.50	4.12	1. 4.79—88D
7¾% C E C A 73/88	109.00	7.11	5.31	4.24	1.11.79—88D
10% C E C A 74/81 PP	101.50	9.85	8.61	1.25	1. 9.81
9¾% C E C A 74/81	102.00	9.56	8.21	1.50	1.12.81
8% C E C A 75/80 PP	99.00	8.08	9.94	0.50	1.12.80
8½% C E C A 75/82 PP	99.00	8.59	9.10	1.75	1. 3.82
8% C E C A 75/82	100.75	7.94	7.63	2.54	16.12.82
8½% C E C A 75/85	102.50	8.29	7.45	2.76	1. 4.78—85D
8% C E C A 76/81 PP	98.50	8.12	9.03	1.54	15.12.81
7¾% C E C A 76/83	101.00	7.67	7.38	3.33	1.10.83
7¾% C E C A 76/86	99.00	7.83	8.02	4.26	1.10.82—86D
6% C E C A 78/88	87.50	6.86	8.10	8.42	1.11.88
5¼% C E C A 78/90	83.50	6.29	8.24	7.63	1. 4.85—90D
6% C E C A 78/90 PP	96.00	6.25	8.78	6.49	1. 8.83—90D
7% C E C A 79/91	92.00	7.61	8.38	8.22	15. 4.84—91D
7¾% C E C A 80/90	97.75	8.06	8.21	9.59	2. 1.90
7¾% C.E.D. South Africa 78/82 PP (G)	98.00	7.91	8.80	2.14	20. 7.82
6½% CERGA 73/81 PP	96.50	6.74	11.06	0.83	1. 4.81
7% CESP 77/87 (G)	91.75	7.63	8.53	7.42	1.11.83(82-87)
6% Chase Manhattan Ov. 78/93	86.90	6.90	7.60	13.25	1. 9.84—93S
7% Chrysler 69/84	81.50	8.59	13.39	4.08	1. 7.75—84S
6¾% CIBA-GEIGY ex. w. 75/85 PP	96.50	6.99	7.56	5.33	1.10.85
6½% C.N. Autoroutes 69/84 (G)	96.75	6.72	8.15	2.20	1. 3.75—84D
6½% C.N. Energie 69/84 PP (G)	96.00	6.77	8.62	2.12	1. 2.75—84D
6½% C.N. Telecom. 68/83 (G)	96.25	6.75	7.77	3.42	1.11.74—83S
8½% C.N. Telecom. 70/85 (G)	101.50	8.37	8.02	2.73	1.10.76—85S
7¼% C.N. Telecom. 76/83 (G)	98.60	7.35	7.80	2.87	16. 4.83
6¼% C.N. Telecom. 79/87 (G)	91.25	6.85	7.97	6.75	1. 3.87
7¾% C.N. Telecom. 79/87 PP (G)	98.00	8.04	8.23	7.54	16.12.87
7¾% Comalco 71/86	100.50	7.71	7.73	3.58	1. 8.77—86S
7% Com. Fed. Electr. 77/82 PP	95.00	7.37	9.54	2.25	1. 9.82
8% Com. Fed. Electr. 77/84	96.80	8.26	8.99	4.00	1. 6.84
7¼% Com. Fed. Electr. 77/85	94.50	7.67	8.97	3.86	1.11.82—85D
6¾% Com. Fed. Electr. 78/88	90.25	7.48	8.98	5.75	1. 4.84—88D
5% Commerzbank Int'l. 79/84 PP	91.00	5.49	7.97	3.58	1. 1.84
4¾% Comp. F. Deutsche Bk. 78/83 PP	91.25	4.79	7.84	2.92	1. 5.83
5% Comp. F. Deutsche Bk. 78/84 PP	92.75	5.39	7.36	3.58	1. 1.84
8½% Comp. Franc. Petr. 75/85	101.25	8.40	8.00	2.94	1. 5.80—85S
6½% Comp. Franc. Petr. 77/84	96.75	6.72	7.45	4.08	1. 7.84
8½% Consorzio 70/91 (G)	98.50	8.63	9.06	5.17	1. 1.77—91D
5¾% Copenhagen 64/84	95.80	6.00	6.85	4.54	15.12.70—84D
7% Copenhagen 68/83	99.50	7.04	7.32	2.92	2. 5.72—83S
6¾% Copenhagen 69/84	99.60	6.78	6.98	4.00	1. 6.75—84S
7¾% Copenhagen 71/86	99.60	7.78	7.95	5.83	1. 4.77—86S
7½% Copenhagen 76/86	96.50	7.77	8.20	6.50	1.12.81—86S
6% Copenhagen 78/90	86.10	6.97	8.01	10.42	1.11.81—90S
6½% Council of Europe 73/81 PP	97.00	6.70	10.08	0.92	1. 5.81
7% Council of Europe 73/88	96.30	7.27	8.03	4.38	1. 7.79—88D
9½% Council of Europe 75/82 PP	99.50	9.55	9.77	1.67	1. 2.82
8½% Council of Europe 76/83	100.00	8.50	8.45	1.64	1. 2.79—83D
7¾% Council of Europe 76/83	98.75	7.85	8.48	1.89	1. 5.80—83D
7% Council of Europe 76/83	97.00	7.22	7.99	3.50	1.12.83
6¼% Council of Europe 77/87	90.50	6.91	8.52	5.33	1.11.83—87D
6¼% Council of Europe 78/88 PP	88.50	7.06	8.76	6.08	1. 7.88
6% Council of Europe 78/88	89.85	6.82	8.38	5.88	16. 5.84—88D
6¼% Council of Europe 78/88 II	89.50	6.98	8.00	8.42	1.11.84—88D
6¼% Council of Europe 78/88 III	89.50	6.98	8.44	6.34	1.11.84—88D
7¼% Council of Europe 79/89	94.50	7.07	8.49	5.75	1. 5.83—89D
7½% Council of Europe 79/89	94.75	7.92	8.49	7.25	1.10.85—89D
7¾% Council of Europe 79/94	98.10	8.08	8.16	9.59	1.11.85—94D
6½% Courtaulds Int'l. 72/87	94.00	6.91	7.82	7.08	1. 7.80—87S
6% Credit National 77/87 (G)	91.00	6.59	7.64	7.33	1.10.83—87S
5¾% Credit National 78/83 PP (G)	92.50	6.22	8.47	3.25	1. 9.83
6½% Credit National 79/89 (G)	91.25	7.12	8.23	6.80	16. 4.86—89D
9% CVRD 76/84	98.90	9.01	9.00	3.67	1. 2.81(82-84)
8½% CVRD 76/86	96.25	8.83	9.27	6.50	1.12.82(83-86)
8% Daimler-Benz 70/85	102.00	7.84	7.33	2.81	1.11.76—85D
5¾% Daishowa Paper 78/83 PP	91.50	6.01	8.87	3.17	1. 8.83
6% Danish Export 77/82 PP	95.75	6.27	9.38	1.39	1.11.78—82D
5¾% Danish Export 78/83 PP	94.50	6.08	8.91	1.97	1. 6.79—83D
8¼% Den Danske Bk. 76/86	99.10	8.32	8.42	6.42	1.11.82—86S
6½% Denmark 68/80 PP	99.00	6.57	9.80	0.33	1.10.72—80D
7% Denmark 69/84	98.50	7.11	7.56	4.17	1. 8.75—84S
6¾% Denmark 72/87	92.75	7.28	8.08	7.50	1.12.78—87S
9¾% Denmark 74/89	107.00	9.16	8.96	4.66	1. 3.80—89S
8¼% Denmark 76/82	99.75	8.27	8.37	1.67	1. 2.82
8% Denmark 76/82	99.00	8.08	8.48	2.25	1. 9.82
6¾% Denmark 77/83	95.25	7.09	8.63	2.96	16. 5.83
7¼% Denmark 77/87	94.50	7.67	8.32	6.96	16. 5.87

WestLB QUOTATIONS AND YIELDS

*"Life" and "Maturity" appear in years and decimals of years and are—in this context—calculated as follows:
—in case of a lump-sum repayment
—to final maturity in case of a sinking fund issue, whenever the quoted price is below 100
—to final maturity in case of a sinking fund issue, whenever the quoted price is above 100
—to average life in case of a sinking fund issue, whenever the quoted price is above 100
—to average life in case the bond issue provides for mandatory drawings by lot at par only
PP—Private Placement (the smallest denomination may be larger than the usual DM 1,000 of public issue)

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
5¼% Denmark 78/84	89.75	5.85	8.61	3.67	1. 2.84
6% Denmark 78/88	86.50	6.34	8.45	7.67	1. 2.88
5¾% Denmark 79/85	90.00	6.39	8.42	4.67	1. 2.85
6½% Denmark 79/89	87.40	7.44	8.61	8.67	1. 2.89
7⅞% Denmark 80/86	97.75	8.06	8.37	5.67	1. 2.86
8¼% Denmark 80/92	98.50	8.38	8.45	11.67	1. 2.92P
9½% Denmark 80/90 PP	103.25	9.20	8.99	9.92	1. 5.90
6¾% Den Norske Ind. 77/89 (G)	94.50	7.14	8.20	4.73	1. 6.80—89D
6% Den Norske Ind. 78/90 (G)	89.75	6.69	8.17	6.21	1. 5.83—90D
6½% District Paris 69/84 (G)	96.00	6.77	7.74	2.83	1. 4.75—84D
7¼% E E C 76/83	97.75	7.42	8.16	2.83	1. 4.83
7% Eletrobras 77/87 (G)	91.25	7.67	8.66	7.25	1. 9.83(83-87)
6¾% Eletrobras 78/86 (G)	86.10	7.84	10.00	5.83	1. 4.86
7% Eletrobras 79/87 (G)	87.00	8.05	9.73	6.67	1. 2.87
5¼% Elf Aquitaine 78/88	85.75	6.12	8.01	6.93	15. 5.86—88D
5¾% Elkem 78/88 PP	87.00	6.61	8.65	5.92	1. 6.84—88D
6% ENEL 65/80 (G)	99.50	6.03	12.42	0.08	due 1. 7.80
6¾% Ericsson 72/87	96.00	7.03	7.52	6.75	1. 3.78—87S
8¾% ESAB 76/81 PP	99.00	8.84	10.22	0.67	1. 2.81
6½% ESCOM 65/80 (G)	99.60	6.53	7.59	0.33	1.10.71—80D
6½% ESCOM 68/83 (G)	94.75	6.86	9.82	1.77	1.10.74—83D
8½% ESCOM 70/85 (G)	100.00	8.50	8.48	2.75	1. 4.78—85D
8% ESCOM 71/86 (G)	97.75	8.18	9.03	3.12	1. 3.77—86D
6¼% ESCOM 72/87 (G)	89.75	6.96	9.38	4.07	1. 9.78—87D
7% ESCOM 73/88 (G)	92.50	7.57	9.23	4.19	1. 5.79—88D
9¼% ESCOM 75/80 (G)	99.80	9.27	10.12	0.17	due 1. 8.80
8% ESCOM 78/81 I PP (G)	98.50	8.12	10.45	0.62	15. 1.80—81D
8% ESCOM 78/81 II PP (G)	98.50	8.12	10.20	0.67	1. 2.80—81D
8¼% ESCOM 78/81 PP (G)	99.00	8.33	9.73	0.67	1. 2.81
8% ESCOM 78/84 PP (G)	96.00	8.33	9.12	4.42	1.11.84
8¾% ESCOM 79/84 I PP (G)	97.00	9.02	9.64	4.17	1. 8.84
8¾% ESCOM 79/84 II PP (G)	97.00	9.02	9.64	4.17	1. 8.84
7¾% ESTEL 73/88	98.90	7.84	7.93	8.17	1. 8.79—88S
8½% ESTEL 75/85	99.10	8.58	8.73	5.00	1. 6.81—85S
8½% ESTEL 76/83 PP	98.00	8.67	9.33	2.75	1. 3.83
6½% ESTEL 77/84 PP	89.00	7.30	9.65	4.42	1.11.84
6¼% ESTEL 77/84 PP	89.00	7.02	10.14	3.47	1.12.82—84D
6¼% ESTEL 78/85 PP	88.00	7.10	9.18	5.33	1.10.85
7¾% ESTEL 79/86 PP	93.75	8.27	9.11	6.17	1. 8.86
8⅛% ESTEL 79/86 PP	94.50	8.60	9.26	6.54	15.12.86
5¾% Euratom 77/87	87.00	6.61	8.14	7.42	1.11.87
6¼% Euratom 79/91 PP	90.50	6.91	8.07	6.98	8. 2.84—91D
6% Eurofima 65/80	99.50	6.03	6.95	0.50	1.12.68—80D
6½% Eurofima 67/83	87.25	6.88	7.87	2.22	1. 9.71—83D
6¼% Eurofima 72/87	94.30	6.63	7.92	4.10	1. 9.76—87D
6½% Eurofima 73/88	93.75	6.93	8.37	4.04	1. 3.77—88D
8% Eurofima 73/88	100.50	7.96	7.83	4.08	1.10.77—88D
8% Eurofima 76/83	102.00	7.84	7.12	2.67	1. 2.83
6¾% Eurofima 77/87 PP	93.50	7.22	8.50	4.59	1. 2.83—87D
5½% Eurofima 78/88	88.25	6.23	8.42	5.09	15. 2.84—88D
5½% Eurofima 78/88 PP	84.00	6.55	8.68	6.86	1.11.85—88D
6½% Eurofima 79/89	93.50	6.95	7.79	6.59	1. 2.85—89D
7% Eurofima 79/84 PP	93.50	7.49	8.85	4.33	1.10.84
7⅜% Eurofima 79/87 PP	94.25	7.82	8.45	7.33	1.10.87
7⅞% Eurofima 80/88 PP	99.00	7.95	8.04	7.62	15. 1.88
6% Europ. Inv. Bank 69/84	95.25	6.30	8.58	2.20	1. 3.75—84D
7% Europ. Inv. Bank 69/84	97.75	7.16	8.23	2.34	1.11.75—84D
7½% Europ. Inv. Bank 71/86	99.00	7.58	8.01	3.14	1. 3.77—86D
7¾% Europ. Inv. Bank 71/86	100.40	7.72	7.58	3.19	1.10.77—86D
6½% Europ. Inv. Bank 72/87	95.25	6.82	8.06	3.60	1. 3.78—87D
6% Europ. Inv. Bank 72/87	92.60	6.48	8.19	4.09	1. 9.80—87D
6¾% Europ. Inv. Bank 73/88	96.50	6.99	7.35	7.67	1. 2.79—88S
7% Europ. Inv. Bank 73/88	98.50	7.11	7.25	8.08	1. 7.79—88S
10% Europ. Inv. Bank 74/81 PP	100.25	9.98	9.70	1.24	1. 9.81
8% Europ. Inv. Bank 76/83	99.80	8.02	8.26	0.50	1.12.80
9½% Europ. Inv. Bank 76/83	102.40	9.28	7.75	1.56	1. 1.81—83D
8% Europ. Inv. Bank 76/83	100.50	7.96	7.63	1.54	1. 7.80—83D
7¾% Europ. Inv. Bank 76/83 PP	98.00	7.91	8.44	3.33	1.10.83
6¾% Europ. Inv. Bank 76/84	95.75	7.05	8.41	2.95	1.12.81—84D
6% Europ. Inv. Bank 77/89	89.50	6.70	8.48	5.45	1. 8.82—89D
6% Europ. Inv. Bank 78/88 I PP	85.50	7.02	8.53	8.17	1. 8.88
6% Europ. Inv. Bank 78/88 II PP	85.00	7.06	8.55	8.46	15.11.88
5¼% Europ. Inv. Bank 78/90	83.50	6.29	8.27	7.55	1. 3.85—90D
6% Europ. Inv. Bank 78/90	85.50	7.02	8.12	10.33	1.10.90P
7½% Europ. Inv. Bank 79/89	96.25	7.79	8.10	9.00	1. 6.89
7⅝% Europ. Inv. Bank 79/89 PP	94.50	8.07	8.51	9.17	1. 8.89
6½% Europ. Inv. Bank 79/91	88.50	7.34	8.15	10.58	1. 1.91P
9¼% Europ. Inv. Bank 80/86	103.25	8.96	8.52	5.92	1. 5.86
9½% Europ. Inv. Bank 80/90	106.75	8.90	8.46	9.92	1. 5.90
8¼% Europistas 71/86 (G)	99.25	8.31	8.71	3.05	1. 2.77—86D
8% Europistas 72/87 (G)	97.00	8.25	9.24	3.41	1. 1.78—87D
7½% Fin. Inst. f. Dan. Ind. 76/81 PP	98.25	7.63	8.74	1.50	1.12.78—81S
7% Finland 68/83	96.50	7.25	9.18	1.97	1. 6.72—83D
6¾% Finland 68/83	96.00	7.03	9.24	1.94	1.12.72—83D
7% Finland 69/84	96.50	7.25	8.85	2.36	2. 5.73—84D
7½% Finland 69/84	97.00	7.73	9.20	2.25	1.10.73—84D
7% Finland 72/87	96.75	7.24	7.76	6.83	1. 4.78—87S
8% Finland 76/84	99.50	8.04	8.15	4.00	1. 6.81—84S
5½% Finland 78/83 PP	92.50	5.95	8.75	2.67	1. 2.83
6% Finland 78/83	91.50	6.56	8.91	3.50	1.12.83
5¾% Finland 78/86	86.75	6.63	8.81	5.67	1. 2.86
8% Finland 79/86	97.75	8.18	8.45	6.54	16.12.86
7½% Finn. Kommunal 69/81 (G)	98.85	7.59	8.93	0.99	1.12.72—81D
8% Finn. Kommunal 71/83 (G)	98.00	8.16	9.37	1.89	2. 5.76—83D
8¼% Forsmarks 75/83 (G)	100.25	8.23	8.10	2.06	1. 7.80—83D
5¾% Forsmarks 78/90 (G)	87.90	6.54	8.42	5.91	16. 1.83—90D
7½% Francetel 76/83 (G)	98.45	7.62	8.02	3.37	16.10.83
6¾% Francetel 77/84 PP (G)	95.50	7.07	8.15	3.83	1. 4.84
7% Fuji Heavy 76/81 PP	96.50	7.25	9.55	1.50	1.12.81
9¼% Gen. Zbk. Vienna 75/82 PP	99.50	9.30	9.52	1.75	1. 3.82
8½% Gen. Zbk. Vienna 76/83 PP	99.00	8.59	8.99	2.16	1. 2.82—83D

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
6% Gen. Zbk. Vienna 77/87	89.75	6.69	8.42	5.42	1.12.83—87D
9¾% Giroz. Vienna 74/80 PP	100.12	9.74	9.25	0.50	1.12.80
7% Giroz. Vienna 76/81	98.00	7.14	8.50	1.42	1.11.81
7¼% Giroz. Vienna 76/83	98.00	7.40	7.92	3.42	1.11.83
5½% Giroz. Vienna 77/82	93.60	5.88	8.62	2.33	1.10.82
5¾% Giroz. Vienna 78/86 PP	87.00	6.61	8.48	6.33	1.10.86
6⅞% Giroz. Vienna 79/84 PP	95.00	7.24	8.32	4.21	16. 8.84
8⅞% Giroz. Vienna 80/87 PP	101.75	8.72	8.53	6.99	1. 6.87
6% G. I. S. 78/83 PP	93.60	6.42	8.74	2.75	1. 3.82—83D
7% Grand Metrop. Fin. 77/84	95.00	7.37	8.46	4.17	1. 8.81—84S
8% Guest-Keen-Nettl. 76/83	98.90	8.09	8.43	2.92	2. 5.83
6¾% Hamersley Iron 72/87	95.25	7.09	7.84	7.08	1. 7.78—87S
8% Hazama-Gumi 76/81 PP	98.50	8.12	9.64	1.00	1. 6.81
7% Helsinki 68/83	97.85	7.15	7.95	3.08	1. 7.72—83S
7% Hitachi Cable 77/82 PP	96.50	7.25	9.43	1.58	1. 1.82
5¾% Hitachi Shipbldg. 78/83	91.70	6.27	8.54	3.54	16.12.83
8¾% IAKW. Vienna 75/85 (G)	101.00	8.66	8.33	2.84	1. 5.80—85D
10% IBM 80/86 PP	109.00	9.17	8.00	5.83	1. 4.86
7¼% Iceland 69/84	97.75	7.42	8.08	3.92	1. 5.73—84S
7¾% Iceland 77/87	97.75	7.93	8.18	6.83	1. 4.80—87S
6½% I C I Int'l. 72/92	90.25	7.20	7.79	11.75	1. 3.78—92S
7½% I C I Int'l. 76/86	98.50	7.61	7.83	5.47	1.12.84—86D
6¾% I C I Int'l. 77/87	94.50	7.14	8.05	5.37	1. 5.84—87D
8% ICIPU 71/91 (G)	96.75	8.27	8.99	5.16	1. 1.77—91D
8% Imatran Voima 72/87 (G)	98.50	8.12	8.47	6.58	1. 1.78—87S
7% Indonesia 78/84	90.00	7.78	9.93	4.33	1.10.84
7¾% Ind. Dev. C. South-Afr. 78/82 PP (G)	96.00	8.07	10.13	1.92	1. 5.82
8% Ind. Dev. C. South-Afr. 78/83 PP (G)	97.00	8.25	9.15	3.08	1. 7.83
6½% Industr. Bk. Japan 73/81 PP	97.00	6.70	10.06	0.92	1. 5.81
5% Industr. Bk. Japan 78/84	90.00	5.56	8.33	3.58	1. 1.84
7⅜% Ind. Fund of Finnland 79/87 PP	93.50	7.89	8.86	5.74	16. 9.84—87D
7½% Ind. Min. Dev. Iran 73/85	81.25	9.23	12.87	4.92	1. 5.77—86S
7½% Ind. Min. Dev. Iran 77/87	68.00	11.23	15.18	7.08	1. 7.83—87S
7¼% Ind. Min. Dev. Iran 78/84	60.00	12.08	22.74	4.29	16. 9.84
6¾% Ind. Mtgebk. Finl. 68/80 (G)	99.25	6.80	8.78	0.42	1.11.73—80D
8% Ind. Mtgebk. Finl. 71/86 (G)	98.50	8.12	8.71	3.33	1.12.77—86D
7% Ind. Mtgebk. Finl. 72/87 (G)	94.00	7.45	9.04	3.91	1. 7.78—87D
6¾% Int. Am. Dev. Bank 68/83	99.50	6.78	7.05	3.08	1. 7.72—83S
7% Int. Am. Dev. Bank 69/84	99.50	7.04	7.26	4.17	1. 8.75—84S
8½% Int. Am. Dev. Bank 70/85	102.50	8.29	7.57	2.64	1. 9.76—85S
6¾% Int. Am. Dev. Bank 72/87 I	95.00	7.11	7.70	7.00	1. 6.78—87S
6¾% Int. Am. Dev. Bank 72/87 II	95.00	7.11	7.65	7.42	1.11.78—87S
8% Int. Am. Dev. Bank 76/83 PP	98.00	8.16	8.83	2.71	16. 2.83
8¼% Int. Am. Dev. Bank 76/83 PP	99.00	8.33	8.62	3.08	1. 7.83
7% Int. Am. Dev. Bank 77/87	93.50	7.49	8.31	6.58	1. 1.83—87S
6¼% Int. Am. Dev. Bank 78/88	88.40	7.07	8.37	7.58	1. 1.88
7¾% Int. Am. Dev. Bank 79/86	97.25	7.97	8.34	6.08	1. 7.86
8% Int. Am. Dev. Bank 79/89 PP	98.25	8.14	8.28	9.12	15. 7.89
8% Int. Am. Dev. Bank 80/88	98.75	8.10	8.21	7.67	1. 2.88
6¾% Int'l. Com'l. Bank 73/83	96.80	6.97	8.58	1.97	1. 6.79—83D
8¼% Ireland 76/81	99.30	8.31	9.37	0.58	1. 1.81
7½% Ireland 79/87 PP	93.00	8.06	8.89	6.92	1. 5.87
8⅛% Ireland 80/88	98.50	8.25	8.39	7.58	1. 1.88
7¾% ISCOR 71/86 (G)	96.00	8.07	8.80	6.00	1. 5.77—86D
7% ISCOR 72/87 (G)	92.50	7.57	9.70	3.65	1. 4.78—87D
7% ISCOR 73/88 (G)	91.75	7.63	9.55	4.01	1. 3.79—88D
8½% ISCOR 73/88 (G)	97.25	8.74	9.31	4.12	1.11.79—88D
8¼% ISCOR 77/80 I PP (G)	99.00	8.33	11.59	0.29	16. 9.79—80D
8¼% ISCOR 77/80 II PP (G)	99.00	8.33	10.04	0.54	16.12.79—80D
7¾% ISCOR 78/82 PP (G)	95.00	8.16	12.02	1.32	1. 4.81—82D
8¼% ISCOR 78/84 PP (G)	93.00	8.87	10.29	4.37	16.10.84
7% Japan 68/83	99.50	7.04	7.33	2.75	1. 3.72—83S
7¼% Japan Dev. Bank 76/83 (G)	99.00	7.32	7.64	2.83	1. 4.83
10¼% Japan Synthetic 80/85 PP	107.00	9.58	8.43	4.87	15. 4.85
8% Johannesburg 71/86 (G)	97.50	8.21	8.94	3.08	1. 9.77—86D
6¼% Johannesburg 72/87 (G)	90.50	6.91	9.54	3.51	1. 9.78—87D
7¾% Johannesburg 78/82 PP (G)	96.00	8.07	10.14	1.91	30. 4.82
7¼% Jydsk Telefon 69/84	94.75	7.65	8.93	4.29	15. 9.75—84S
6¾% Jydsk Telefon 72/87	96.00	7.03	7.52	6.75	1. 3.78—87D
7¼% Jydsk Telefon 73/88	93.75	7.73	8.38	7.67	1. 2.79—88D
9% Jydsk Telefon 75/82 PP	100.00	9.00	8.98	2.08	1. 7.82
8½% Jydsk Telefon 80/90	101.00	8.42	8.33	9.67	1. 2.90
6¾% Kansai Electric 69/84	97.00	6.96	7.83	3.75	1. 3.75—84S
7¾% Kansai Electric 71/86	100.00	7.75	7.75	5.92	1. 5.77—86S
6¾% Kelag 73/88	96.75	6.98	7.30	7.92	1. 5.79—88S
6¾% KHD Finance 72/87	97.25	6.94	7.27	6.82	2. 5.78—87S
7⅝% Kjobenhavns H. Bank 76/83 PP	96.00	7.88	8.72	3.50	1.12.83
7½% Kjobenhavns Tel. 72/87	97.00	7.73	8.26	6.59	2. 1.78—87S
7% Kjobenhavns Tel. 72/87	95.50	7.33	7.66	6.92	1. 5.78—87S
6½% Kjobenhavns Tel. 73/88	89.50	7.26	8.37	7.83	1. 4.79—88S
5% KLM Royal Dutch Airl. 78/85 PP	91.50	5.46	8.49	2.84	1. 5.79—85D
7% Kobe 68/83 (G)	99.50	7.04	7.32	3.00	1. 6.72—83S
6¾% Kobe 69/84 (G)	99.50	6.78	7.01	3.92	1. 5.73—84S
7¾% Kobe 71/86 (G)	99.75	7.77	7.79	5.67	1. 2.77—86S
6¾% Kobe 72/87 (G)	95.50	7.07	7.61	6.92	1. 5.78—87S
7½% Kobe 76/83 (G)	98.90	7.58	7.93	3.00	1. 6.83
6½% Kobe 77/87 (G)	93.10	6.98	7.82	7.00	1. 6.87
5¾% Kobe 78/86 (G)	90.25	6.37	7.82	6.08	1. 7.86
7⅛% Kobe 79/89 (G)	96.00	7.42	7.73	9.33	1.10.89
7¾% Kommunl. Inst. 76/83	98.75	7.85	8.50	1.81	1. 4.81—83D
8% Kommunl. Inst. 76/84	97.75	8.18	8.62	4.37	15.10.77—84D
7¼% Korea Dev. Bank 77/84 (G)	88.50	8.19	10.36	4.50	1.12.84
5¼% Kubota Int'l. 77/82 PP	93.50	5.61	8.93	1.89	1.12.81—82D
5¾% Kvaerner Ind. 78/88 PP	89.00	6.46	8.25	5.67	1. 3.84—88D

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
8½% Light-Servicos 77/82 (G)	97.75	8.70	9.31	1.75	1. 3.82
6¾% Light-Servicos 78/86 (G)	86.25	7.83	9.93	5.92	1. 5.86
8½% Light-Servicos 80/90 (G)	91.70	8.27	10.11	7.53	16. 1.86—90D
9¾% Lonrho Intern. 80/87	100.25	9.73	8.69	6.91	2. 5.87
6½% Lufthansa Int'l. 79/86 PP	93.50	6.95	7.94	5.75	1. 3.86
7% Malaysia 72/84	95.50	7.33	9.14	2.45	1. 6.75—84D
6½% Malaysia 77/85	87.00	7.47	9.77	5.25	1. 9.85
9¼% Malmoe 75/84	101.00	9.16	8.67	2.11	1. 2.81—84D
8¼% Malmoe 76/83	100.00	8.25	8.21	1.72	1. 3.80—83D
6½% Manitoba 77/84	95.25	6.82	7.90	4.08	1. 7.84
6¾% Manit. Hydro El 72/87	87.00	6.98	7.31	7.00	1. 6.78—87S
6¼% Megal. Fin. Comp. 78/90	85.00	7.35	8.60	9.56	2. 1.85—90S
7% Megal. Fin. Comp. 79/89	92.00	7.61	8.31	8.83	1. 4.67—89P
7% MEPC 73/88	93.75	7.47	8.84	4.20	1. 5.79—88D
7% Mexico 68/84	101.00	6.93	6.56	2.05	2. 1.75—84S
7¼% Mexico 73/88	94.50	7.67	8.24	7.58	1. 1.79—88S
9% Mexico 75/82	100.90	8.92	8.50	2.08	1. 7.82
8% Mexico 76/83	100.25	7.98	7.90	3.00	1. 6.83
7⅞% Mexico 77/84	86.75	8.01	8.75	4.00	1. 6.84
6% Mexico 78/85	90.25	6.65	8.54	4.83	1. 4.85
6½% Mitsubishi Chemical 79/84	95.35	6.82	7.92	3.91	30. 4.84
5¾% Mitsubishi Petro 78/83	91.75	6.27	8.76	3.25	1. 9.83
7¾% Mitsui Toatsu 76/81 PP	98.00	7.91	9.41	1.29	15. 9.81
9% MODO 75/83	100.50	8.96	8.71	1.97	1. 6.80—83D
7% Montreal 69/89	94.25	7.43	8.56	4.56	1. 4.70—89D
6% Montreal 72/92	89.50	6.70	8.38	5.69	1. 9.73—92D
6¾% Montreal 73/93	90.00	7.50	8.02	13.00	1. 6.74—93S
8½% Montreal 76/86	100.50	8.46	8.29	2.92	1. 7.77—86S
7% Montreal 77/87	93.00	7.53	8.34	7.12	16. 7.78—87S
7½% Morlg. Denmark 69/84 (G)	99.75	7.52	7.71	4.42	1.11.75—84S
7% Morlg. Denmark 73/88 (G)	93.25	7.51	8.17	8.08	1. 7.79—88S
6¾% Morlg. Bk. Finl. 69/84 (G)	97.50	6.92	7.66	3.83	1. 4.73—84S
8¾% Nafi. Mexico 76/83 PP (G)	98.00	8.93	9.41	3.50	1.12.83
7% Nafi. Mexico 77/82 PP (G)	96.00	7.29	9.01	2.25	1. 9.82
8¾% Nafi. Mexico 77/84 (G)	100.10	8.74	8.70	3.75	1. 3.84
8¾% Nafi. Mexico 77/84 PP (G)	99.00	8.84	9.05	3.75	1. 3.84
8¼% Nat. Bk. Hungary 75/81	98.60	8.37	9.64	1.08	1. 7.81
6½% Nat. Bk. Hungary 77/85	86.50	7.51	9.81	5.42	1.11.85
7% Nat. Nederl. Fin. Maat 79/86 PP	94.00	7.45	8.24	6.33	1.10.86
8% Nat'l. Westm. Bk. 73/88	100.00	8.00	7.99	6.33	1.10.79—88S
8% Nederl. Gasunie 79/86	102.75	7.79	7.30	4.98	1.12.83—86
8½% Nederl. Gasunie 80/87	103.85	8.18	7.56	6.20	1. 3.84—87S
6¾% New Brunswick 72/87	96.50	6.99	7.37	7.42	1.11.78—87S
7¼% Newfoundland 69/84	99.25	7.30	7.60	4.17	1. 8.75—84S
8% Newfoundland 71/86	100.25	7.98	7.90	3.56	1. 8.77—86S
6¾% Newfoundland 72/87	98.30	6.87	7.06	7.42	1.11.78—87S
6½% Newfoundland 73/88	93.75	6.93	7.58	7.83	1. 4.81—88S
6¾% New Zealand 69/84	97.00	6.96	8.49	2.12	1. 2.75—84D
7½% New Zealand 71/86	100.25	7.48	7.56	3.31	1. 5.77—86D
7% New Zealand 72/87	96.00	7.29	8.34	3.51	1. 2.78—87D
8¼% New Zealand 75/80 PP	99.75	8.27	11.00	0.08	due 1. 7.80
7½% New Zealand 76/83	99.00	7.58	7.90	2.75	1. 3.83
7¾% New Zealand 76/86	98.75	7.85	8.08	4.34	1.11.82—86D
6¼% New Zealand 77/84	95.65	6.53	7.57	3.92	1. 5.84
5¼% New Zealand 78/86	87.25	6.02	8.10	5.75	1. 3.86
6% New Zealand 79/86 PP	89.00	6.74	9.51	5.67	1. 2.86
6¼% New Zealand 79/87	92.75	6.74	7.68	6.58	1. 1.87
7⅛% New Zealand 79/87	95.85	7.43	7.88	7.29	15. 9.87
8¼% New Zealand 79/84 PP	99.50	8.29	8.37	4.50	1.12.84
6¾% Nippon Housing Loan 79/84 PP	94.50	7.14	8.44	3.96	16. 5.84
6½% Nippon Kokan 79/84	93.50	6.95	8.55	3.83	1. 4.84
5¾% Nippon Steel 78/85	90.50	6.35	8.03	5.25	1. 9.85
8¾% Nippon T + T 75/82 (G)	101.00	8.66	8.01	1.75	1. 3.82
8¼% Nippon T + T 75/82 (G)	100.0	8.25	8.25	2.00	1. 6.82
7¾% Nippon T + T 76/83 (G)	99.00	7.83	8.08	3.33	1.10.83
5½% Nippon T + T 79/87 (G)	87.00	6.32	8.09	6.67	1. 2.87
5¾% Norcem 78/85	90.00	6.39	8.38	4.75	1. 3.85
7½% Norcem 79/86 PP	94.75	7.92	8.61	6.25	1. 9.86
5% Norddt. LB Int'l. 78/84 PP	90.50	5.52	8.08	3.67	1. 2.84
6¼% Nordic Inv. Bank 79/86	90.75	6.89	8.38	5.58	1. 1.86
8½% Norges Komm. Bank 70/85 (G)	100.75	8.44	8.35	2.72	1.10.76—85S
8% Norges Komm. Bank 75/80 PP (G)	99.75	8.02	10.77	0.08	due 1. 7.80
7% Norges Komm. Bank 76/81 (G)	98.25	7.12	9.05	0.92	1. 5.81
7% Norges Komm. Bank 77/89 (G)	96.00	7.29	7.63	8.83	1. 4.80—89S
6% Norges Komm. Bank 77/89 I (G)	90.00	6.67	7.52	9.37	16.10.80—89S
6% Norges Komm. Bank 77/89 II (G)	90.00	6.67	7.50	9.50	1.12.80—89S
6% Norges Komm. Bank 78/90 (G)	86.75	6.92	7.94	10.17	1. 8.81—90S
6¼% Norges Komm. Bank 79/89 (G)	91.50	6.83	7.63	8.58	1. 1.84—89S
7⅜% Norges Komm. Bank 79/89 PP (G)	96.50	7.64	7.92	9.21	16. 6.84—89S
7⅞% Norges Komm. Bank 79/91 (G)	98.25	7.89	7.99	11.08	1. 7.84—91S
8¼% Norges Komm. Bank 79/94 (G)	99.75	8.27	8.27	14.54	18.12.85—94S
8½% Norpipe 76/84	101.00	8.42	7.97	2.28	1. 2.80—84S
8% Norpipe 76/88	100.25	7.98	7.94	5.39	1. 6.83—88S
6% Norpipe 77/89	86.70	6.92	8.06	9.42	1.11.84—89S
7¼% Norsea Gas 76/88	94.25	7.69	8.20	8.50	1.12.83—88S
7% Norsea Gas 77/89	91.75	7.63	8.33	9.08	1. 7.84—89S
9% Norsk Hydro 75/87	103.25	8.72	7.91	3.60	1. 3.80—87D
8% Norsk Hydro 76/88	99.75	8.02	8.04	7.83	1. 4.83—88S
6¾% Norsk Hydro 77/89	93.75	7.20	7.74	9.00	1. 6.82—89S
7¾% Norway 75/80	99.65	7.78	8.33	0.50	1.12.80
7% Norway 76/81	98.50	7.11	8.75	0.92	1. 5.81
7½% Norway 76/81	99.00	7.58	8.48	1.08	1. 7.81
6½% Norway 77/82	98.25	6.62	7.68	1.58	1. 1.82
6¼% Norway 77/82	97.15	6.43	7.96	1.83	1. 4.82
5¾% Norway 77/82	94.75	6.07	8.49	2.17	1. 8.82
4¾% Norway 78/83	93.86	5.06	7.44	2.58	1. 1.83
4⅜% Norway 78/83	90.75	4.82	8.15	2.83	1. 4.83
6¼% Norway 79/84	95.25	6.56	7.72	3.83	1. 4.84
7½% Norway 80/85	99.50	7.54	7.62	4.62	15. 1.85
7¼% Norw. Mortgage 77/87	95.25	7.61	8.48	4.88	16. 5.83—87D
6% Norw. Mortgage 77/89	88.40	6.79	8.63	5.74	16.11.82—89D
7¾% Nova Scotia 71/86	98.25	7.89	8.54	3.34	1.12.77—89D
7% Nova Scot. Power 72/87	96.25	7.27	7.66	7.50	1.12.78—87S
6¾% Occident. Int. Fin. 78/90	88.50	7.63	8.43	10.50	1.12.85—90S
6½% Occident. Overs. 68/83	97.75	6.65	7.40	3.33	1.10.72—83S
6% Oester. Donaukr. 59/84 (G)	97.00	6.19	7.69	2.12	1. 2.65—84D
6¾% Oester. Donaukr. 73/88 (G)	94.75	7.12	7.67	7.75	1. 3.79—88S
8¾% Oester. Draukr. 75/85 (G)	101.00	8.66	8.29	2.67	1. 3.81—85D
7% Oest. El. Wirtsch. 67/87 (G)	96.25	7.27	8.42	3.51	1. 2.73—87D
7% Oest. El. Wirtsch. 76/83 PP (G)	96.00	7.29	8.33	3.54	16.12.83
5½% Oest. Ind. Verwaltung 78/85 PP (G)	88.50	6.21	8.37	5.08	1. 7.85
6⅞% Oest. Inv. Kredit. 79/84 PP	98.75	6.96	7.20	4.42	1.11.84
7% Oest. Kontrollbank 76/83 PP (G)	95.00	7.37	8.69	3.50	1.12.83
6¾% Oest. Kontrollbank 77/84 PP (G)	94.50	7.14	8.54	3.67	1. 2.84
6½% Oest. Kontrollbank 77/84 PP (G)	95.00	6.84	7.98	4.08	1. 7.84
6¼% Oest. Kontrollbank 77/84 PP (G)	92.00	6.79	8.60	4.17	1. 8.84
6% Oest. Kontrollbank 77/85 PP (G)	89.00	6.74	8.61	5.42	1.11.85
5¾% Oest. Kontrollbank 78/84 PP (G)	91.00	6.32	8.39	4.17	1. 8.84
6½% Oest. Kontrollbank 78/88 (G)	90.25	7.20	8.12	8.54	16.12.88
6% Oest. Kontrollbank 79/87 PP (G)	88.50	6.78	8.30	6.67	1. 2.87
7⅜% Oest. Kontrollbank 79/89	95.50	7.72	8.07	9.33	1.10.89
8% Oest. Kontrollbank 79/84 PP (G)	99.00	8.08	8.25	4.50	1.12.84
7⅞% Oest. Kontrollbank 79/86 PP (G)	98.50	7.99	8.16	6.54	16.12.86
8% Oest. Kontrollbank 80/87 (G)	99.15	8.07	8.16	6.67	1. 2.87
8¾% Oest. Kontrollbank 80/85 PP (G)	101.50	8.62	8.34	4.79	15. 3.85
9% Oest. Kontrollbank 80/87 PP	102.50	8.78	8.51	6.95	15. 5.87
5½% Oest. Länderbank 77/82	93.50	5.88	8.47	2.50	1.12.82
6½% Ontario 69/84	96.50	6.74	8.51	2.12	1. 2.75—84D
6% Ontario 72/87	92.75	6.47	8.14	4.09	1. 9.80—87D
7½% Ontario Hydro 71/86	100.00	7.50	7.48	3.36	1.12.77—86D
6½% Ontario Hydro 72/87	98.00	6.63	7.11	3.86	1. 6.80—87D
6½% Ontario Hydro 73/88	93.85	6.93	8.34	4.04	1. 3.81—88D
7½% Oslo 69/84	100.50	7.46	7.39	2.35	1.11.75—84D
7½% Oslo 71/87	99.75	7.52	7.69	6.59	2. 1.78—87S
6¾% Oslo 73/90	94.00	7.18	7.62	10.06	1. 7.76—90S
9% Oslo 75/87	102.00	8.82	8.34	3.78	1. 3.78—87S
8¾% Oslo 80/90	101.50	8.62	8.41	6.04	1. 3.83—90S
6¾% Papua 73/88	95.25	7.09	7.55	8.08	1. 7.79—88S
6¾% Parker-Hannifin 77/87 PP	92.00	7.34	8.83	4.92	1. 6.83—87D
7½% Parker-Hannifin 79/87 PP	95.50	7.85	8.48	6.06	1. 7.85—87D
8¾% Pemex 76/83	100.90	8.67	8.41	3.50	1.12.83
7% Pemex 77/84	94.50	7.41	8.58	4.25	1. 9.84
7% Pemex 78/86	92.75	7.55	8.69	5.58	1. 1.86
7% Petrobras 77/84	90.00	7.78	9.93	4.33	1.10.84
7% Petrobras 78/88	85.95	8.14	10.13	6.24	1.10.84—88D
8% Petrobras 79/89	91.75	8.72	9.62	7.24	1.10.85—89D
7¼% Philippine 77/84	89.95	8.06	10.16	4.42	1.11.84
6¾% Philippine 78/85	87.90	7.71	10.14	4.83	1. 4.85
8¾% Philips 75/81 PP	99.00	8.84	9.98	0.83	1. 4.81
8½% Philips 75/81 PP	99.75	8.52	8.76	0.87	15. 4.81
8¾% Philips 75/82	101.00	8.66	8.09	1.79	15. 3.82
5¾% PK-Banken 78/88	86.75	6.63	8.74	5.83	1. 5.84—88D
6⅛% Postipankki 79/85 PP	98.00	6.25	6.84	3.13	1. 2.82—85D
7¼% Privatbk. Copenh. 77/83 PP	96.00	7.55	8.89	2.83	1. 4.83
6¼% Pyhrn Autobahn 77/89 (G)	88.75	7.04	8.53	6.63	1. 9.84—89D
6½% Quebec 72/87	93.50	6.95	8.51	3.92	1. 7.78—87D
7½% Quebec 77/87	96.00	7.81	8.29	6.67	1. 2.87
7¼% Quebec 77/87	94.40	7.68	8.34	7.00	1. 6.87
6% Quebec 78/90	87.00	6.90	8.46	7.30	1. 5.85—90D
6¾% Quebec Hydro El. 69/84	99.25	6.80	7.10	3.67	1. 2.75—84S
7¼% Quebec Hydro El. 69/84	99.00	7.32	7.90	2.17	1. 9.75—84D
8% Quebec Hydro El. 71/86	99.00	8.08	8.54	3.09	1. 9.77—86D
6½% Quebec Hydro El. 72/87	93.25	6.97	8.72	3.67	1. 4.78—87D

WestLB Euro-Deutschmarkbond Yield Index

May 31, 1980: 8.57% **(April 30, 1980: 9.19%)**

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
6½% Quebec Hydro El. 73/88	93.35	6.96	8.50	4.04	1. 3.79—88D
6½% Quebec Hydro El. 77/87	90.00	7.22	8.40	7.21	16. 8.87P
6¼% Quebec Hydro El. 77/87	89.50	6.98	8.17	7.50	1.12.87P
8½% Queensland Alu. 70/85	100.75	8.44	8.36	2.80	1.11.76—85S
5¾% Rautaruukki 78/88 (G)	86.50	6.65	8.84	5.75	1. 4.84—88D
7¼% Reed Paper 73/88	100.00	7.25	7.24	7.58	1. 1.79—88S
8½% Renfe 76/82 (G)	99.00	8.59	9.03	2.08	1. 7.82
8% Renfe 77/84 (G)	97.25	8.23	8.86	3.83	1. 4.84
7% Renfe 79/87 (G)	90.50	7.73	8.89	7.00	1. 6.87
5¼% Ricoh Comp. 78/83	91.50	5.74	8.41	3.17	1. 8.83
6¾% Roy Lease 79/84 PP	96.00	7.03	7.86	4.33	1.10.84
7¾% SAAB 71/86	99.00	7.83	8.12	6.00	1. 6.77—86S
7½% Saga Petrokjemi 77/87 PP	96.00	7.81	8.26	7.08	1. 7.83—87S
7½% Sandvik 72/87	96.75	7.76	8.59	3.50	1. 2.78—87D
9¼% Sandvik 75/83	102.25	9.05	8.24	2.67	1. 2.83
7% Sanko Steamship 77/84	95.90	7.30	8.32	3.67	1. 2.84
6½% Shell Int'l. 72/87	97.75	6.65	6.92	6.83	1. 4.78—87S
6¾% Shell Int'l. 77/89	94.50	7.14	7.84	6.59	1. 3.85—89D
7% Siemens Europe 66/81	99.50	7.04	7.34	1.42	1.11.70—81S
7% Singapore 72/82	97.00	7.22	8.78	2.06	1. 7.78—82S
6½% Singapore 77/83	94.75	6.86	8.60	2.82	1. 6.83
8½% Sira Kvina 70/85	100.25	8.48	8.56	2.38	1. 6.76—85D
6½% S.N.C.F. 68/83 (G)	97.65	6.66	7.30	3.33	1.10.72—83S
7½% Soc. Dev. Reg. 76/86 (G)	97.25	7.71	8.41	3.56	1. 4.80—86D
6¼% Soc. Dev. Reg. 77/92 PP (G)	84.00	7.44	9.24	7.67	1.11.83
9% Soc. Mar. Fina 75/83 PP	100.00	9.00	8.98	1.89	1. 3.84
6¼% Sorrente 79/84 PP	93.50	6.68	8.38	3.62	16.12.83—92D
6¾% South-Africa 69/84	97.25	6.94	7.73	3.83	1. 6.79—83D
8½% South-Africa 70/85	100.50	8.46	8.48	2.80	16. 1.84
7¾% South-Africa 71/86	96.50	8.03	8.65	6.42	1. 4.73—84S
7% South-Africa 72/87	94.00	7.45	8.10	7.42	1.11.76—85S
8% South-Afr. Broadc. 76/81 PP (G)	98.00	8.16	10.91	0.75	1.11.77—86S
7¼% South-Afr. Oil Fund 76/81 I PP (G)	96.00	7.55	10.36	1.42	1.11.78—87S
7¼% South-Afr. Oil Fund 76/81 II PP (G)	97.00	7.47	9.49	1.46	1. 3.81
7¾% South-Afr. Oil Fund 78/82 I PP (G)	95.00	8.16	10.42	2.17	1.11.81
7¾% South-Afr. Oil Fund 78/82 II PP (G)	94.50	8.20	10.53	2.29	16.11.81
8% South-Afr. Oil Fund 79/83 PP (G)	95.50	8.38	9.57	3.42	1. 8.82
7¾% South-Afr. Oil Fund 79/84 PP (G)	93.50	8.29	9.89	3.75	16. 9.82
7½% South-Afr. Railway 73/88 (G)	95.50	7.85	8.29	8.00	1. 6.79—88S
9¼% South-Afr. Railway 75/80 (G)	99.85	9.26	10.69	0.08	due 1. 7.80
8¼% South-Afr. Railway 77/80 PP (G)	98.50	8.38	17.53	0.17	1. 8.79—80D
8% South-Afr. Railway 78/81 PP (G)	97.00	8.25	13.43	0.59	2. 1.81
7¾% South-Afr. Railway 78/82 PP (G)	96.00	8.07	10.13	1.92	1. 5.82
8% South-Afr. Railway 78/83 I PP (G)	94.50	8.47	10.15	3.08	1. 7.83
8% South-Afr. Railway 78/83 II PP (G)	94.50	8.47	10.04	3.25	1. 9.83
7¾% South-Afr. Railway 78/83 PP (G)	93.50	8.29	10.01	3.50	1.12.83
7% South Scot. El. 73/88 (G)	93.30	7.50	8.20	7.67	1. 2.79—88S
6¾% Spain 77/84	92.00	7.34	9.13	4.17	1. 8.84
6% Spain 78/88	84.00	7.14	8.90	7.92	1. 5.88
6% Sparbank Oslo 78/90 PP	89.00	6.74	8.76	5.11	16. 5.81—90D
7¾% Standard Imp & Exp 78/82 PP	97.75	7.93	8.91	2.17	1. 8.82
6½% Stand. Chart. Bank 78/88	91.50	7.10	8.03	7.58	1. 1.88
6% Statoil 78/88 (G)	88.25	6.80	7.99	8.25	1. 9.84—88S
6½% Statoil 79/89 (G)	90.75	7.16	8.00	8.75	1. 3.88—89S

Issued / Est. O/S (MM)	Year of issue / Issue price	Borrower / Coupon Maturity	Bond price / Share price	Cur. bond yld / Cnv. share yld	Premium/discount % / First s/f date
		CONVERTIBLES—U.S. (CONTINUED)			
15 / 19.0	1970 / 100.00	HOLIDAY INNS O/S 8.00 15/10/1985 S	88 5/8 / 18 3/4	9.23 / 3.73	65.43 / DP1978
50 / 50.0	1971 / 100.00	HONEYWELL CAP 6.00 15/11/1986	85 7/8 / 76 5/8	6.99 / 3.39	34.69
30 / [illegible]	1968 / 100.00	HONEYWELL O/S FIN 5.00 15/ 2/1983 S	90 5/8 / 76 5/8	5.59 / 3.39	22.11
25 / 25.0	1968 / 100.00	I.C.I.C. INT 5.50 1/ 6/1988 S	52 5/8	10.72	1979
50 / 55.0	1977 / 100.00	INA OVERSEAS FIN 6.00 1/ 8/1997	94 5/8 / 31 3/4	6.34 / 6.33	-3.65
[illegible]	1971 / 100.00	INTER-CONT HOTELS O/S 7.00 15/ 6/1986	80 / 4 5/8	8.75	137.49 / DP1981
[illegible]	1968 / 100.00	INT STANDARD ELECTRIC 5.00 15/ 2/1988	79 7/8 / 28	6.26 / 8.57	54.24 / DP1978
[illegible]	1968 / 100.00	INT STANDARD ELECTRIC 5.25 1/12/1988	71 3/8 / 28	7.36 / 8.57	68.16
25 / [illegible]	1969 / 100.00	INT STANDARD ELECTRIC 6.25 1/11/1989	76 / 28	8.22 / 8.57	61.20 / DP1979
12 / 1.7	1966 / 97.50	INT UTILITIES O/S 5.25 1/ 6/1986 S	116 1/2 / 16 1/2	4.56 / 5.76	-7.15 / DP1977
15 / 15.0	1966 / 100.00	ISE FINANCE HOLDINGS 4.50 1/ 3/1986 S	76 / 28	6.01 / 8.57	10.53 / DP1977
50 / 50.0	1972 / 100.00	I.T.T 4.75 1/10/1987	72 / 28	6.60 / 6.37	44.32
20 / 20.0	1969 / 100.00	I.T.T. SHERATON FIN 6.50 15/ 7/1989	76 1/2 / 28	8.50 / 8.57	48.62
25 / 24.0	1968 / 100.00	JONATHAN LOGAN O/S 4.75 1/ 6/1983 S	76 3/4 / 9	6.28 / 6.67	
30 / 28.5	1969 / 100.00	KAISER ALUM & CHEM FIN 5.00 1/ 2/1988 S	86 3/8 / 19 3/8	5.87 / 6.19	9.76 / 1978
40 / 15.3	1969 / 100.00	LEASCO INT 5.00 15/ 1/1989	102 1/4 / 66 1/8	4.89 / 3.02	-4.13 / 1980
15 / 13.2	1968 / 100.00	LEVIN-TOWNSEND INT FIN 5.00 1/ 8/1988 S	41	12.57	1979
30 / 30.0	1979* / 100.00	LPC INTERNATIONAL FIN 8.00 15/ 6/1989	96 / 16 3/8	8.33	36.77 / DP1984
60 / 60.0	1968 / 100.00	LTV INTERNATIONAL 5.00 1/ 7/1988	62 1/2 / 10 3/8	8.00	53.86 / 1979
30 / 25.5	1968 / 100.00	MARINE MIDLAND O/S 5.00 15/ 5/1988	71 5/8 / 14 3/4	6.98 / 6.10	94.24 / DP1978
15 / 9.6	1973 / 100.00	MARRIOTT 5.00 15/10/1988	73 / 20 1/2	6.85 / .98	6.51
30 / 30.0	1973 / 100.00	MASCO 4.50 31/ 1/1988	84 1/4 / 26 3/8	5.31 / 2.27	3.63
25 / 25.0	1972 / 100.00	MASSMUTUAL MTGE REALTY 6.75 15/ 7/1987	70 5/8 / 13 3/8	9.56 / 10.77	70.29
30 / 15.6	1972 / 100.00	J. RAY McDERMOTT 4.75 15/10/1987	159 3/8 / 27 1/2	2.95 / 5.09	-2.09
15 / 15.0	1969 / 100.00	MDS CAP 5.50 1/ 5/1989 S	54 3/8 / 15 1/4	10.37	192.38
25 / 12.3	1968 / 100.00	MILES INT 4.75 15/ 6/1993 S	61	7.94	DP1978
20 / 20.0	1972 / 100.00	MOHASCO INT 5.00 15/ 6/1987	56 1/2 / 7 3/8	8.85 / 2.98	
25 / 19.0	1965 / 100.00	MONSANTO INT 4.50 15/10/1985 S	86 7/8 / 50	5.25 / 7.20	49.42 / 1976
50 / 50.0	1972 / 100.00	J.P. MORGAN O/S CAP 4.75 15/ 6/1987	89 1/4 / 46 3/4	4.76 / 5.99	-.25
30 / 6.9	1968 / 100.00	MOTOROLA INT 4.50 1/ 7/1983	115 3/8 / 47 3/8	3.90 / 2.96	-3.36
30 / 25.4	1968 / 100.00	NABISCO INT FIN 5.25 1/ 3/1988	93 1/8 / 24 1/8	5.64 / 6.72	-2.53 / DP1979
7 / 1.6	1967 / 100.00	NATIONAL CAN O/S 5.375 1/12/1987 S	96 / 18 3/4	5.60 / 4.69	-6.25
50 / 50.0	1980* / 100.00	NICOR O/S FIN 10.75 1/ 5/1995	105 1/8 / 31 3/8	10.23 / 8.54	22.30
26 / 6.9	1966 / 100.00	[illegible] O/S 4.75 15/12/1983 S	82 1/2 / 27 1/8	5.84 / 5.16	40.03
25 / 26.0	1972 / 100.00	OWENS-ILLINOIS INC 4.50 1/ 7/1987	93 1/2 / 26 1/4	4.81 / 4.57	-3.37
30 / 27.0	1968 / 100.00	PAN AMERICAN O/S 5.25 1/ 9/1988	67 / 4 3/8	7.84	131.35 / DP1979
25 / 12.0	1969 / 100.00	J.C. PENNEY EUROPE 6.00 1/12/1989	77 / 26	7.79 / 7.08	61.40
35 / 35.0	1972 / 100.00	J.C. PENNEY INT FIN 4.50 1/ 8/1987	73 1/8 / 26	6.15 / 7.08	136.25
20 / 7.7	1969 / 100.00	PLANNING RESEARCH INT 6.50 15/12/1984	74 / 5 5/8	8.78	DP1977
8 / 8.0	1968 / 100.00	PLYWOOD-CHAMPION INT 5.25 15/ 2/1983	88 1/2 / 25 1/2	5.93 / 5.49	-7.16 / 1979
10 / 7.9	1971 / 100.00	RAMADA CAP 6.25 15/11/1986	75 5/8 / 7 1/4	8.26 / 1.66	62.41 / DP1980
50 / 47.2	1968 / 100.00	RCA INT. 5.00 1/ 2/1988	73 / 22 3/4	6.85 / 7.91	76.48 / DP1979
26 / 21.2	1968 / 100.00	REVLON INT FIN 4.75 15/ 6/1983 S	133 / 46 1/8	3.60 / 3.38	-1.96
50 / 38.0	1972 / 100.00	REVLON 4.75 15/ 4/1987	113 3/4 / 46 1/8	4.18 / 3.38	-1.97
50 / 50.0	1968 / 100.00	REYNOLDS METALS CAP 5.00 1/ 6/1988 S	81 1/4 / 32	6.23 / 6.88	13.65 / DP1979
13 / 12.5	1972 / 100.00	SAXON INDUSTRIES 5.75 31/10/1987 S	59 1/2 / 5 1/4	9.90 / .95	70.00 / 1981
15 / 14.3	1969 / 100.00	SCM OVERSEAS CAP.CORP. 5.25 1/ 3/1989	76 1/2 / 26	6.86 / 5.00	39.40 / DP1979
15 / 15.0	1968 / 100.00	SEARLE INC 4.75 15/ 5/1988	119 1/2 / 22 3/4	3.97 / 2.29	-3.70 / 1983
30 / 30.0	1972 / 100.00	SOUTHLAND 5.00 15/ 7/1987	76 1/4 / 21 1/2	6.56 / 4.47	24.84
15 / 15.0	1979* / 100.00	SPECTRA-PHYSICS INT 8.00 15/12/1994 S	99 5/8 / 32 3/4	8.19	30.04
60 / 60.0	1973 / 100.00	SPERRY RAND 4.25 15/ 2/1988	90 3/8 / 46 7/8	4.70 / 3.33	-.71
50 / 50.0	1972 / 100.00	SQUIBB INT FIN 4.25 15/ 6/1987	75 5/8 / 31	5.62 / 3.68	39.05
75 / 75.0	1968 / 100.00	TEXACO OPERATIONS-EUROPE 4.50 1/ 7/1988 S	84 1/4 / 35 5/8	5.41 / 6.74	4.65
25 / 25.0	1978 / 100.00	TEXAS INT AIRLINES 7.50 15/ 8/1993	73 3/4 / 9 1/4	10.17 / 1.30	15.62
7 / 5.4	1969 / 100.00	THERMO ELECTRON INT 7.00 1/ 7/1994	92 / 25 3/8	7.61	9.31 / DP1977
10 / 10.0	1968 / 100.00	TRW INT 5.00 1/ 2/1988	86 1/4 / 39 3/8	5.80 / 5.39	15.00 / 1978
25 / 15.2	1969 / 100.00	TYCO INT FIN 5.00 1/ 3/1984 S	80 / 31 1/2	6.35 / 3.17	56.19
7 / 7.2	1978 / 75.50	TYCO INT FIN - 2ND ISSUE 5.00 1/ 3/1984 S	80 / 31 1/2	6.35 / 3.17	56.19
25 / 25.0	1978 / 100.00	TYCO INT FIN 8.50 15/ 6/1988	141 1/2 / 31 1/2	6.01 / 3.17	-5.67
50 / 38.6	1967 / 100.00	UNION CARBIDE INT 4.75 1/ 7/1982 S	92 1/2 / 43	5.20 / 6.98	21.34
30 / 30.0	1969 / 100.00	WALTER KIDDE FIN 5.00 1/ 2/1989	77 1/8 / 34 3/4	6.48 / 5.18	40.13 / DP1980
15 / 15.0	1968 / 100.00	WARD FOODS O/S 5.75 1/11/1988	56 / 6 3/4	10.27	DP1979
15 / 1.2	1966 / 100.00	WARNER-LAMBERT 4.25 1/ 3/1981 S	92 / 20 1/8	4.67 / 6.56	3.14
30 / 30.0	1973 / 100.00	WARNER-LAMBERT 4.25 1/ 4/1988	69 1/8 / 20 1/8	6.15 / 6.56	111.24
40 / 40.0	1972 / 100.00	WARNER-LAMBERT 4.50 1/ 4/1987	72 1/2 / 20 1/8	6.21 / 6.56	72.92
20 / 7.5	1968 / 100.00	WARNER-LAMBERT 4.50 1/ 8/1988 S	78 / 20 1/8	5.85 / 6.56	12.40
75 / 75.0	1973 / 100.00	XEROX CORPORATION 5.00 1/12/1988	72 1/4 / 57 1/2	6.92 / 4.87	85.97

AIBD PUBLICATION DATES 1980

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times.

It will be published on the following dates in the remainder of 1980.

Monday 14th July
Tuesday 12th August
Monday 15th September
Monday 13th October
Tuesday 11th November
Tuesday 16th December

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INVESTMENT FUNDS

The following funds include Eurobond issues within their portfolios
Quotations & yields as at 31st May, 1980

SOCIETE GENERAL De BANQUE
BANQUE GENERALE Du LUXEMBOURG

Fund 31.5.80	Price	First Issue Price	Yield %	Div. Date	1/6/79 High	31/5/80 Low	1/6/77 High	31/5/80 Low
*Rentinvest	LuxFr 761	LuxFr 1000	9.03	20/11//79 (65.—)	LuxFr 860	LuxFr 742	LuxFr 918	LuxFr 742
Capital Rentinvest	LuxFr 1357	LuxFr 1000	(Capitalisation)		LuxFr 1430	LuxFr 1321	LuxFr 1430	LuxFr 1217

WestLB Euro-Deutschmarkbond Quotations (Continued)

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-drawing by lot at par, S-sinking fund, P-purchase fund
7% Statsforetag 77/85	96.00	7.29	8.03	4.75	1. 3.82—85D
10% Steiermark 74/80 PP	100.00	10.00	9.87	0.33	1.10.80
8¾% Stockholm County 75/87	100.50	8.71	8.57	3.67	1. 4.79—87D
8½% Sumitomo Metal 75/82	100.75	8.44	8.06	2.08	1. 7.82
7½% Sun Oil Int. Fin. 73/88	97.50	7.69	7.92	8.17	1. 8.78—88S
7¼% Svenska Cell 73/88	95.00	7.63	8.14	7.67	1. 2.78—88S
9% Svenska Taendst. 75/85	102.00	8.82	8.11	2.67	1. 3.80—85S
6¾% Sveriges Inv. Bank 72/87	94.00	7.18	7.92	6.75	1. 3.78—87S
7% Sveriges Inv. Bank 73/88	95.75	7.31	7.74	7.75	1. 3.79—88S
8½% Sveriges Inv. Bank 75/83	100.50	8.46	8.22	1.97	1. 6.80—83S
6½% Sweden 77/84	96.00	6.77	7.72	3.92	1. 5.84
6% Sweden 77/89	87.50	6.86	7.91	9.50	1.12.83—89S
7¾% Sweden 79/89	98.00	7.91	8.07	9.08	1. 7.89
7½% Sweden 79/89 PP	94.00	7.98	8.48	8.17	1. 8.89
8% Sweden 80/87 PP	98.00	8.16	8.39	6.71	16. 2.87
8¾% Sweden 80/87	106.25	9.18	8.50	6.88	1. 4.87
9% Sweden 80/87 PP	102.50	8.78	8.51	6.95	16. 5.87
9½% Tauernautobahn 74/81 (G)	100.50	9.45	8.96	1.08	1. 7.81
9% Tauernautobahn 75/82 PP (G)	100.00	9.00	8.95	1.75	1. 3.82
9% Tauernautobahn 75/83 PP (G)	100.00	9.00	8.97	2.75	1. 3.83
5½% Tauernautobahn 78/93 (G)	81.80	6.72	7.91	12.83	1. 4.84—93S
7% Tauernkraftwerke 68/83 (G)	101.00	6.93	6.44	1.85	1. 2.74—83D
6½% Tauernkraftwerke 68/83 (G)	98.00	6.63	7.33	3.25	1. 9.74—83S
8% Tenpfinco 73/93	99.25	8.06	8.08	13.42	1.11.82—93S
9½% Tenpfinco 75/82 PP	100.00	9.50	9.45	1.75	1. 3.82
6¾% Thailand 78/83 PP	94.50	6.61	8.50	2.86	1. 4.83
8½% Thyssen Car. Fin. 75/82 PP	100.00	8.50	8.47	1.83	1. 4.82
8¼% Thyssen Car. Fin. 76/82 PP	99.50	8.29	8.51	2.08	1. 7.82
6½% Thyssen Inv. 66/81	99.50	6.53	7.15	0.75	1. 3.72—81D
7¼% Tokyo El. Power 69/84	97.25	7.46	8.72	2.42	1.12.75—84D
6½% Tokyo El. Power 79/85	94.75	6.86	7.82	4.92	1. 5.85
5½% Toyo Rubber 78/83 PP	91.00	6.04	8.71	3.33	1.10.83
6½% Traf. House Fin. 72/87	95.00	6.84	7.40	7.33	1.10.78—87S
6% Trinidad & Tobago 78/83	91.50	6.56	9.56	2.83	1. 4.83
6¾% Trondheim 68/83	96.50	6.99	8.07	3.50	1.12.72—83S
5¾% Trondheim 78/88	85.75	6.71	6.60	6.81	1. 4.86—88D
7½% T R W Int. Fin. 69/84	98.00	7.65	8.21	4.33	1.10.75—84S
6% T V O Power 78/88 (G)	86.00	6.98	8.55	7.67	1. 2.84—88S
5¾% UDS Group 78/83	91.35	6.29	8.91	3.25	1. 9.83
9¾% Unilever 74/81 PP	101.00	9.65	6.93	1.50	1.12.81
8½% Unilever 75/87	103.00	8.25	7.64	4.25	1. 5.81—87S
6½% Union Bank Finland 78/88	90.00	7.22	8.16	8.54	15.12.84—88S
5¾% Uniroyal 78/84 PP	82.50	6.97	11.22	4.17	1. 8.84
6¾% Unit. Arab. Emirats 77/82 PP	94.00	7.18	10.35	1.91	30. 4.82
7% Venezuela 68/83	100.00	7.00	7.12	3.33	1.10.74—83S
6% Venezuela 78/88	86.50	7.16	9.04	7.75	1. 3.84—88S
6½% Venezuela 78/90	83.50	7.78	9.00	10.42	1.11.85—90S
7% Vienna 68/83	97.10	7.21	8.27	3.00	1. 6.74—83S
8¼% Vienna 75/84	102.50	8.05	7.15	2.62	1. 8.79—84D
5¾% Vienna 77/84 PP	91.50	6.28	8.04	4.64	15.12.84
8½% Voest-Alpine 73/88	101.00	8.42	8.19	4.25	1.10.79—88S
8½% Voest-Alpine 75/85	100.75	8.44	8.20	2.92	1. 6.81—85D
6¾% Voest-Alpine 77/89	92.50	7.30	8.31	6.38	1. 6.84—89D
6½% Wells-Fargo ex w. 73/88	93.00	6.99	7.86	8.42	1.11.79—88S
8¾% Westland-Utrecht 80/85 PP	102.30	8.55	8.13	4.75	1. 3.85
5½% Worldbank 65/85	98.85	5.88	6.38	4.88	1. 4.71—85S
6½% Worldbank 68/80	99.50	6.63	9.40	0.17	due 1. 8.80
6½% Worldbank 68/84 PP	96.00	6.77	6.89	2.08	2. 1.77—84D
6½% Worldbank 69/84	97.25	6.68	7.90	2.45	1. 6.75—84D
6½% Worldbank 69/84 PP	96.00	6.77	8.69	2.08	2. 1.77—84D
6% Worldbank 69/84 PP	95.00	6.32	8.49	2.28	1. 4.77—84D
8½% Worldbank 70/80	99.85	8.51	9.51	0.17	due 1. 8.80
8% Worldbank 70/86	100.00	8.00	7.97	2.97	1. 1.77—86D
7½% Worldbank 71/86 I	98.25	7.63	8.11	3.38	1. 6.77—86D
7½% Worldbank 71/86 II	98.10	7.65	8.19	3.34	1.12.77—86D
6½% Worldbank 72/82	96.75	6.72	8.25	2.08	1. 7.82
6¾% Worldbank 72/87	95.00	7.11	8.40	3.58	1. 3.78—87D
6¾% Worldbank 73/83	97.00	6.96	8.02	2.67	1. 2.83
6¾% Worldbank 73/88	93.25	6.84	8.34	4.21	1. 5.79—88D
8¼% Worldbank 75/82 PP	98.50	8.29	8.53	2.00	1. 6.82
8% Worldbank 75/82	101.00	7.92	7.51	2.50	1.12.82
8¼% Worldbank 75/83	101.00	8.17	7.88	3.08	1. 7.83
8% Worldbank 76/82 PP	98.25	8.14	8.90	2.17	1. 8.82
7¾% Worldbank 76/82 PP	97.25	7.97	9.07	2.33	1.10.82
7½% Worldbank 76/83	98.60	7.61	8.05	2.92	1. 5.83
7¾% Worldbank 76/83	98.75	7.85	8.17	3.33	1.10.83
6¾% Worldbank 76/83 PP	95.00	7.11	8.44	3.50	1.12.83
8% Worldbank 76/84	100.50	7.96	7.82	3.67	1. 2.84
5½% Worldbank 77/82 PP	93.50	5.88	8.73	2.29	15. 9.82
7% Worldbank 77/85 PP	95.00	7.37	8.30	4.75	1. 3.85
6½% Worldbank 77/85 PP	92.00	7.07	8.56	4.92	1. 5.85
6% Worldbank 77/85	91.75	6.54	7.96	5.29	15.[illegible].85
7% Worldbank 77/87	94.75	7.39	8.04	6.58	1. 1.87
6½% Worldbank 77/87	90.75	7.16	8.31	6.92	1. 5.87
5¾% Worldbank 78/84	91.75	6.27	8.16	4.17	1. 8.84
6% Worldbank 78/88	87.00	6.90	8.24	8.17	1. 8.88
6¼% Worldbank 78/88	87.75	7.12	8.31	8.50	1.12.88
5¾% Worldbank 78/90	85.00	6.76	8.36	8.12	1. 2.87—90D
7% Worldbank 79/85 PP	96.00	7.29	7.97	5.17	1. 8.85
7⅛% Worldbank 79/87 PP	93.75	7.60	8.31	7.17	1. 8.87
7¾% Worldbank 79/91	96.75	8.01	8.20	11.08	1. 7.91
10% Worldbank 80/86	107.75	9.28	8.28	5.92	1. 5.86
9% Worldbank 80/88 PP	102.25	8.80	8.59	7.92	1. 5.88
7⅞% Worldbank 80/90	97.85	8.05	8.20	9.59	1. 1.90
7⅞% Worldbank 80/90 II PP	97.00	8.12	8.33	9.58	1. 1.90
10% Worldbank 80/90	108.75	9.20	8.65	9.92	1. 5.90
6¾% Yokohama 68/83 (G)	99.50	6.78	7.04	3.25	1. 9.72—83S
7% Yokohama 69/84 (G)	98.50	7.04	7.26	4.33	30. 9.73—84S
8% Yokohama 71/86 (G)	99.60	8.03	8.08	6.17	1. 8.77—86S
8¾% Yoshida Kogyo 75/80 PP	99.50	8.79	14.61	0.08	due 1. 7.80
8% Yugosl. Inv. Bank 77/84 PP	96.25	8.31	9.02	4.54	15.12.79—84S

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The Arab Co. for Trading Securities S.A.K.

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EXPLANATORY NOTES AND ABBREVIATIONS

SPECIAL REFERENCES

1. General—attached to name of borrower

D = Domestic Management Group
L = Bondholders option to redeem loan prior to maturity or to extend maturity
P = Private or semi-private placement
MC = Principal/Interest payable in more than two currencies
W = Witholding taxes (with percentage rate %)
WW = With warrants
XW = Ex warrants

2. £/DM issues

The figures shown are the fixed £/DM parities which prevail over the lives of the issues.

3. Floating rate issues

The figures given are the minimum coupon rate: % margin above LIBOR.

4. Attached to maturity description

S = Semi-annual payments
Q = Quarterly payments

5. Convertible issues

The share price is always denominated in the same currency as the conversion price. Please note that where the premium exceeds 200% no fig. is shown in premium/discount column.

The following convertible bonds are subject to convertibility into the indicated stocks.

NAME OF BOND			CONVERTIBLE INTO
American Tobacco Int.	5¾	1988	American Brands Inc.
Asia Navigation Int.	6½	1989	East Asia Navigation Co.
Bankers Int. (Lux.)	5	1986	Bankers Trust New York
Broadway—Hale Stores	4¾	1987	Carter Hawley Hale
Burmah Oil	5½	1988	Shell Transport & Trading
Chevron Oil O/S	5	1988	Standard Oil of California
Dart Industries	4¾	1987	Minnesota Mining & Manufacturing
Inter-Continental Hotels	7	1986	Pan-Am World Airways
Int. Standard Elec.	5	1988	International Tel & Tel
Int. Standard Elec.	5¼	1988	International Tel & Tel
Int. Standard Elec.	6¼	1989	International Tel & Tel
ISE Finance Holding	4½	1986	International Tel & Tel
Leasco Int.	5	1989	International Tel & Tel
Levin-Townsend Int. Fin.	5	1988	Rockwood Computer
Norwich OS	4¾	1983	Morton-Norwich Products
Owens-Illinois	4½	1987	Owens-Corning Fibreglass
Plywood Champion Int.	5¼	1983	Champion Int.

The following international convertible issues have fixed rates of currency conversion

COUNTRY	ISSUE/COUPON/MATURITY			EXCHANGE RATE
DENMARK	Novo Industri	7	1989	D.Kr.5.344 = $1
FRANCE	Michelin Int. Dev.	6	1985	F.Fr.5.554 = $1
HONG KONG	Asia Navigation Int.	6½	1989	$HK5.07 = $1
ISRAEL	Leumi Int. Inv.	7	1994	£I 10.1026 = $1
JAPAN	Asahi Chemical	6¾	1990	Yen 303.0 = $1
	Asahi Optical	6	1992	Yen 282.0 = $1
	Asahi Optical	7	1994	Yen 222.13 = $1
	Asica	5¾	1993	Yen 216.0 = $1
	Canon Inc.	6¾	1994	Yen 216.45 = $1
	Dai Nippon Printing	6¼	1986	Yen 360.0 = $1
	Daiei Inc.	6	1991	Yen 300.0 = $1
	Daiei Inc.	6½	1994	Yen 224.3 = $1
	Daiwa House Ind.	7¼	1991	Yen 301.0 = $1
	Hitachi Ltd.	6¾	1984	Yen 360.0 = $1
	[illegible]shin Electric	6¾	1992	Yen 248.0 = $1
	Honda	5½	1989	Yen 201.60 = $1
	Ito-Kokado	5¾	1993	Yen 213.5 = $1
	Ito-Yokado	6	1992	Yen 272.0 = $1
	Jusco	6	1992	Yen 227.4 = $1
	Kao Soap	6	1992	Yen 286.0 = $1
	Komatsu Manf.	6¾	1984	Yen 360.0 = $1
	Komatsu Ltd.	7¼	1990	Yen 294.2 = $1
	Kubota	6¾	1991	Yen 303.0 = $1
	Marui	6½	1991	Yen 298.0 = $1
	Matsushita Elec.	6¾	1990	Yen 303.0 = $1
	Meidensha	11	1994	Yen 223.82 = $1
	[illegible] Elec.	7	1985	Yen 360.0 = $1
	Mitsubishi Gas Chem.	6	1992	Yen 272.0 = $1
	[illegible] Heavy Ind.	6½	1991	Yen 305.55 = $1
	Mitsubishi Corp.	6	1992	Yen 267.0 = $1
	Mitsubishi Corp.	7½	1990	Yen 293.0 = $1
	Mitsubishi Corp.	6¾	1991	Yen 301.0 = $1
	Mitsubishi Corp.	7¼	1994	Yen 224.74 = $1
	Mitsui & Co.	7¼	1990	Yen 298.0 = $1
	Mitsui & Co.	6¾	1989	Yen 298.0 = $1
	Mitsui Real Estate	6	1992	Yen 267.8 = $1
	Nippon Seiko	7¼	1994	Yen 224.46 = $1
	Nitto Elec. Ind.	6	1992	Yen 264.13 = $1
	Nitto Elec.	6	1994	Yen 219.64 = $1
	Ricoh	6¾	1991	Yen 295.0 = $1
	Sanyo Electric	6¾	1991	Yen 293.65 = $1
	Sanyo Electric	7½	1990	Yen 302.17 = $1
	Settsu Paperboard	6¾	1992	Yen 243.0 = $1
	Sumitomo Elec.	6	1992	Yen 267.0 = $1
	Sumitomo Metal	6	1992	Yen 287.5 = $1
	[illegible] Chemical	6	1984	Yen 360.0 = $1
	[illegible] Dept. Store	6	1992	Yen 268.0 = $1
	Toshiba	6¾	1992	Yen 254.0 = $1
	Toshiba	6¾	1990	Yen 295.8 = $1
	Toshiba	7¼	1994	Yen 226.45 = $1
NETHERLANDS	Ennia	7¾	1992	D.Fl.2.4565 = $1
	All other issues			D.Fl.3.60 = $1
SINGAPORE	Dev. Bank of Singapore	6¾	1991	S$2.44 = $1
	United Overseas Bank	6½	1988	S$2.32 = $1
SOUTH AFRICA	Rand Selection Corp.	6½	1986	RD0.7143 = $1
SWEDEN	Aga	7¾	1989	SwKr4.31125 = $1
	Esselte	7¾	1989	SwKr4.25875 = $1
	Sandvik	6¾	1988	SwKr4.7825 = $1
UK	Bobcock Nederland	7	1991	£0.574 = $1
	Beecham Fin.	6¾	1992	£0.574 = $1
	Boots	6¾	1993	£0.529 = $1
	Burmah Oil	5½	1988	£0.417 = $1
	Burton B.V.	5¾	1982	FFr.11.88225 = $14
	Compair (UK)	8½	1987	£0.582 = $1
	ICI Int. Fin.	6¾	1997	£0.574 = $1
	Inchcape (Bermuda)	6¾	1992	£0.582 = $1
	Rank Organisation	4¾	1993	£0.425 = $1
	Slater Walker	5¾	1987	£0.385 = $1
	Thorn Int. Fin.	7	1988	£0.530 = $1

Union Bank of Switzerland (Lux.) 5% 1981 differs from other convertibles in that the bonds are denominated US$1350 and each bond is convertible into 1 Bearer share of S.Fr.500 nominal value of UBS.
Credit Suisse (Bahamas) 4¾ 1991 differs from other convertibles in that the bond is denominated US$1000 and each bond is convertible into 1 Bearer Share of S.Fr.500 nominal value of Credit Suisse.
The following convertible issues have conversion rights which expire prior to maturity.

NAME OF BOND		MATURITY	CONVERSION RIGHTS EXPIRE
Asahi Chemical	6¾	30/9/1990	15/9/1990
Dai Nippon Ptg.	6¾	31/5/1986	30/4/1986
Hitachi	6¾	30/9/1984	31/8/1984
Mitsubishi Elec.	7	31/3/1985	28/2/1985
Rand Selection	6½	1/3/1986	31/1/1986
Takeda Chem.	6	31/3/1984	28/2/1984
Toshiba	6¾	30/9/1990	15/9/1990

6. Denomination of non-dollar bonds

Euro-guilders — all denominated	Fl. 10,000
French Francs — all denominated with the exception of	FFr. 5,000
Aerospatiale	FFr. 10,000
European Coal & Steel 7% 1980	FFr. 10,000
European Coal & Steel 7½% 1991	FFr. 10,000
Francaise de Petroles — BP	FFr. 10,000
Philips Lamps 10¼% 1980	FFr. 50,000
Roussel — Uclaf	FFr. 10,000
SOPAD	FFr. 50,000
STERLING-DEUTSCHE MARKS	
Enso Gutzeit 6½% 1980	£100: £500
ICI 8% 1986	£500
Ireland 7% 1981	£500: £500
Ireland 7% 1986	£500
Met. Estates 6¾% 1987	£500
New Zealand 6¾% 1982	£90: £450
Rothmans Int. 6¾% 1992	£500
Sira Kvina 7½% 1982	£100: £500
Turin 6½% 1984	£100: £500
US Rubber 6% 1989	£100: £500

7. Yield calculations

All Yields are calculated on annual rates e.g. a 10% bond standing at par, paying interest once p.a. will have a current and maturity yield of 10%. A 10% bond paying semi-annually would yield 10.25%. Market practice demands that the current yield on $ floating rate bonds is calculated as coupon/price.

8.

These securities have not been registered under the Securities Act of 1933 and may not be offered or sold directly or indirectly in the United States, its territories or possessions, or to nationals or residents thereof.
The information is from reports from official and other sources which we consider reliable, but adequate means of checking its accuracy are not available and we do not guarantee that the information contained herein is accurate or complete.

9. Other notes

The amounts shown as remaining outstanding are estimated by applying the scheduled sinking fund instalments. These are further adjusted where a non-cumulative option to double sinking fund payments has been exercised.
Yields are calculated in accordance with Rule 803 of Statutes, By-Laws, Rules and Recommendations of the AIBD, using compound interest throughout. Negative yields are not shown.
The maturity, average life and first call yields are adjusted to a 360 day annual rate.
Yield to next call is shown on the basis that the borrower gives notice that he wishes to call the bond as soon as possible after the date of publication of this list.

Unit of account bonds

The new units of account formula applies to issues from 1973 onwards and the old formula to issues in or prior to 1972.
All payments of interest and capital of EUA bonds are made on the basis of the strongest reference currency, which means that the bondholder receives the equivalent in his own currency of the EUA/strongest reference currency parity prevailing at the time of payment. The EUA can thus at any given time be identified with the strongest reference-currency. For convenience sake, however, bonds are quoted on the secondary market on the basis of the EUA/DM parity prevailing at the time of quotation. In order to be correct, yields for EUA bonds should be calculated on the basis of the strongest reference currency. For this purpose the price in DM is converted into the price in the strongest reference currency, taking into account the premium (if any) of the strongest reference currency against the DM. It is on the thus reduced price that the yield calculations are made.

THE ARTS

Television

The problem with Brass Tacks

by CHRIS DUNKLEY

Last year when BBC2's current affairs discussion series *Brass Tacks* began mixing its cocktail to a new formula, doubts about its journalism were noted here and it was suggested that a wary eye should be kept on it. Without seeing every edition since then I have watched quite enough for that early unease to be increased. The structure of the programme now seems to have been standardised: we are given an introductory film on the week's topic—schools, the Cruise missile, motorcycling or whatever. Then we hear a discussion directed from a Manchester studio containing a number of "experts" as well as the chairman, and into this discussion are injected the opinions of some members of the public who have a special interest in the matter and who have joined an outside broadcast unit in a school, a farm, or some such place. Sometimes a politician adds his two poundsworth from a London studio.

Given that the series is a Manchester production it is fairly clear why it may be thought necessary occasionally to put a politician "on line" from London. But the reason for banishing the public to a shop or a barn remote from the studio has never been explained in any of the editions I have seen. It is just one of the factors which contribute to the sense of alienation and annoyance which so often emanates from this series.

At the end of each 50-minute programme the chairman says words to the effect that: "We've only been able to cover the main points of course and present a cross section of views, but you'll be able to hear more and offer your own opinion in the continuing debate on local radio, or you can write to *Brass Tacks Return Call* (a 10-minute programme screened late on Saturday nights).

Evidently the idea is that the television programme should be the central element in some sort of national debate intended to spread opinions and enlightenment and, above all, "let the people have their say." Yet judging from what one hears during the television shows and on the radio *programmes and* from irate viewers and listeners (and even participants) afterwards it is obvious that there *are a lot who do not feel that* these admirable ideals have been fulfilled at all.

On the contrary, it seems that *among* those who are really expert on the subject under review, many believe that instead of helping to spread understanding or to solve problems, *Brass Tacks* serves rather to infuriate people like themselves and to misinform others. Scarcely an episode *goes* by without one of the better informed participants pointing out how *misleading* the introductory film was.

A more honest and accurate summing-up from the chairman would be: "Well there you are, *we've presented a lot of statistics* and observations, most of them previously published elsewhere, some of them accepted as reliable but *some of them* already discredited—though our over-worked researchers didn't realise that. We've infuriated people in the business by giving them too little time to present their cases properly. In this we've been entirely even-banded and managed to annoy those pro just as much as those who are anti.

"Now a lot more time will be consumed by local radio phone-*in shows. Only a fraction* of the many who try ringing will actually get through and of those who do only a small proportion *will go on to be heard* on air. Of *those* a large number will simply *want* to correct what they see as *misapprehensions circulated by this programme.* Others will just want to vent the irritation we've caused."

Any "national debate" seems to consist in large degree of *Brass Tacks* building up a furious head of steam amongst those who have always known more than they do about the subject, and then providing little valves dotted around the country to release a small amount of it. The rest gets converted into an increasingly widespread bitterness and cynicism about broadcasting in *general, television in particular,* and specifically callow current affairs investigations.

No doubt the problem facing *Brass Tacks is* the same problem that faces all series of this sort: that the number of viewers willing to sit down and watch more *weighty and serious* current affairs programmes is very small—almost absurdly small, it must seem from within *the industry—when compared* to the numbers willing to watch *It's A Knockout* or *Coronation Street.* It is the misfortune of *current affairs journalists* in television that, unlike their counterparts working on serious newspapers or magazines, they operate inside organisations which seek to appeal in other departments not to a few

Scene from a Brass Tacks programme on hill farming communities

hundred thousands but to tens of millions (occasionally, as with the *Dallas* episode involving the shooting of JR, managing to attract as much as half the population, 26m) so that, internally, invidious comparisons tend to be made.

All sorts of schemes and stratagems have consequently been developed to protect serious current affairs series and to maximise their audiences. *Panorama,* which last week provided *an excellent if* terrifying and stomach-churning account of preparations for chemical warfare, is "hammocked *between the Dukes of Hazzard* and the *Nine O'Clock News* for instance.

World In Action, which after *all these years is still the* sharpest and most incisive of ITV's current affairs series—thanks not least to the discipline *of working habitually* within a 27-minute slot—is transmitted opposite *Panorama* thus providing both series with *a degree of protection,* though the major beneficiary is no doubt *The Waltons* on BBC2. This week *World In Action* at last managed to transmit its programme featuring Jock Kane talking about the leakage of secret information in Hong Kong; Granada having (presumably) made enough cosmetic changes to allow the Independent Broadcasting Authority to save face following its initial suppression of the programme.

Above all, of course, in their fight for existence current affairs series keep on going back to the topics which their producers believe will pull in the punters, the "sexy" subjects such as drug abuse which *TV Eye, Man Alive* and others seem to do over and over again even though misuse of drugs results in far fewer deaths than, say, drowning accidents.

There is also a popular, though I believe mistaken belief, that viewers are fascinated by the police and by alleged police mis-deeds. As a result it has been impossible recently to have the television *on for more than about ten* minutes without being faced by a set of cardboard policemen carrying cardboard truncheons *advancing on a cardboard* cut-out of the late Blair Peach.

One reason for such repetition is that our broadcasting system *consists not of two programme* organisations, BBC and ITV, but of the BBC and 15 commercial programme companies any two *or three of which at any given* time may be working on near identical productions. Perish the thought that the IBA should act as a clearing station to prevent such duplication. That would be interfering in programmes.

Most popular topic of all in the last eight years—*especially* on any series to do with commerce or industry, though the subject has also been approached from every other conceivable point of view ranging from the skies to the ocean bed, and under every heading from fire risk to unions via the microchip—has been North Sea oil and especially the rigs themselves. There is nothing the average television reporter likes more *than to take a trip in a helicopter* and deliver a piece to camera with the westering sun glinting brightly off his hard hat while *a couple of roustabouts* fling chain round the drill in the background.

Perhaps Trevor Philpott's *stylistically old fashioned but* nonetheless engrossing series *Inside A Multinational* (BP) will put an end to all that, but I doubt it. Equally I doubt whether the thoroughness and depth of preparation for Philpott's series will ever be taken as an example by *Brass Tacks* which operates on a different time scale and in an entirely different manner, kicking up spray all over the shallow end.

*

It is clear that the rules in *the single-banded* transatlantic yacht race need tightening up. Letting in all those new fangled multi-hulls was bad enough, but according to Peter Woods on BBC's *Nine O'Clock News* on Monday, one of the competitors who had got into difficulties in mid-ocean was picked up by helicopter from his "monorail."

Bath Festival

Purcell at Wells

The second Festival visit, on Saturday, to Wells Cathedral brought a Purcell programme with John Eliot Gardiner, conducting the Monteverdi Choir and the English Baroque Soloists. Two Odes and Queen Mary's Funeral Music provided a *memorable* evening even if the forces used were not perfectly suited to the considerable space.

Wells is better than most large churches for mixed choral and instrumental sound—it was not reverberance so much as remoteness that favoured the slow-moving funeral music (given with the intense fervour Mr. Gardiner and his *choir bring* to the Baroque period), with the inexorably rising, grinding chromatics, more than the *frequently quick-moving,* varied Odes.

In the Odes, at least from the back of the nave, one felt *a simple scarcity of volume.* In the small instrumental suddenly chilly evening suggesting cold lips and fingers. But *neither of the two counter*-tenors, Charles Brett and Ashley Stafford, were projecting strongly enough. The soprano, Patrizia Kwella, *deputising for Jennifer Smith,* had her moments in the melancholy "Bid the Virtues" that contrasts so effectively *with the general bustle of the* 1694 Birthday Ode. Distance dulled most of the solo singing in the bigger Ode for Saint *Cecilia's Day of 1692,* though the basses Stephen Varcoe and David Wilson-Johnson, held their own and Paul Elliott fully *justified* the *allocation of* "Tis Nature's Voice" to a high tenor.

On Sunday in the Bath Assembly Rooms, transatlantic brilliance illuminated the Festival's closing concerts. In the morning harpsichord recital Igor Kipnis sped like a kingfisher through the fast movements of Bach's French Suite No. 5 in G and his *Chromatic Fantasy and Fugue.* The first half was all French with an exhilarating Chaconne by Duphly and, in the F sharp *minor, Ordre of Couperin* (No. 26), a welcome point of repose in the penultimate number, "L'Epineuse." In the earlier movements of the suite ornament tended to clog rhythm.

More dazzlement in the evening from the Beaux Arts Trio—their second Festival appearance. Not only brilliance, of course. Haydn's A major Trio (No. 18), had a breathtaking blend of wit and expression, both equally intense. Then a superbly well-groomed effusion of early-Romantic emotions in Mendelssohn's D minor Trio—all the same one hopes they will not be tempted to play the Scherzo faster. How does the pianist Menahem Pressler manage such faultless accuracy when his eyes are darting conspiratorially to his colleagues, as though expecting the violinist Isidore Cohen to suddenly vanish? Bernard Greenhouse, the imperturbable cellist offered perfectly controlled (and perfectly tuned) moulding of the profound richness of melody in Schubert's E flat Trio, reticence making the often lacerating sadness the more moving.

RONALD CRICHTON

Arts Theatre, Cambridge

Footlights Revue

The Footlights have been putting on a show during the Cambridge May week since 1883: it would be diverting to hop back through time for a dip into some of those entertainments. To some extent you can this week for the current offering, *Electric Voodoo,* has a quaintly old-fashioned feel to it.

The opening number, in which the "back stage crew" discover that the actors *have* gone missing and decide to put on the show themselves, could come out of 1930, although getting *the ice-cream girl* on stage to join them has a nicely topical ring. Whether this song and dance routine is a parody or not, it is unfortunately one of the best things in a rather tame evening.

This probably has nothing to do with the fact that four of the six-strong cast are girls, while the two men seem particularly youthful. Perhaps there is nothing to be funny about at university these days. Familiar targets — weight-watching classes; party gossip, antideluvian judges—are rolled out for light mockery, but there is not a hint of the anarchic, *the surreal, or even the witty.* A big problem is punch lines; they barely exist, and when a nuclear bomb blast is used twice in succession to end a sketch toes tend to curl.

But no doubt John Cleese, Peter Cook, Jonathan Miller, Clive James, David Frost, Eleanor Bron, et alia, looked just as callow on these same boards, and few years as BBC trainees will no doubt add the character missing now. Already the personalities seemed to have more potential than the material and Sandi Toksvig, a bright-eyed pocket blonde, and Sheila Hyde, who matches her well, being very tall *and very black, could make the* programme notes of ten years time.

ANTONY THORNCROFT

Wigmore Hall

Victor Danchenko

Mr. Danchenko *opened* his London debut on Monday with Brahms's C minor Scherzo (from the "F.A.E." Sonata), one of the illustrious fragments of music, and superbly abetted by Paul Ostrowsky—they're both Russian emigrants—lost no time showing us what a first-rate violinist he is. The piece took fire, an ideal beneficiary for Danchenko's big shining tone and big technique. No less suitable was the D minor sonata of Brahms which followed; its last two movements particularly notable for expert rhythmic co-ordination and gradation of tone, but the whole distinguished by violinistic *largesse* and by interesting accompanimental points from Mr. Ostrowsky.

In Bach's D minor Chaconne for violin solo, though, one felt that Danchenko's technical prowess, sensitive as it is, was being asserted too monolithically. He does have an ample expressive range but it remains within the limits of the emphatic. (Occasionally small frictions were perceptible on this account with Mr. Ostrowsky.) The result in the Bach was to introduce a rather Brahmsian impetuosity (not to mention an unwanted freedom with tempi).

Danchenko was very happy in the second sonata of Prokofiev: every facet of his virtuosity could be allowed to gleam. His deft harmonics and mischief in the second (Presto) movement evoked spontaneous applause; his brilliant flourishes and the richness of the ensemble in the finale were captivating. Not captivating were the essential qualities of the music itself: tiresome wrong-note limpidity in the Andante, sickly classicising in the Moderato.

PAUL DRIVER

Broadway

Tony Awards

by FRANK LIPSIUS

Though meant to look like a *tribute to Broadway,* the Tony Awards are more like Broadway's tribute to television. Theatre openings in April and May are eloquent testimony to the powers of the Tonys. All the shows that were being pulled together out of town rushed to get to New York before the May 10 deadline for Tony eligibility. By the beginning of April, the League of New York Theatres and Producers, which assigns opening nights to keep order on Broadway, loses track of what is opening and what is waiting in the wings. By the end, there are more possible openings than available nights. Thanks to the Tonys and their live television broadcast, Broadway enjoys an exciting end of *season* spectacle with some recognised successes *strewn* among the quick closings.

Morning's at Seven, a play that failed on Broadway in 1939, opened again late this season and this time was greeted enthusiastically, winning a Tony for its director, Vivian Matalon. Paul Osborn's story of a 40-year-old innocent who finally proposes to his girlfriend after a 12-year courtship questions whether innocence is virtuous or silly. In 1939, it was probably still a virtue and therefore not to be tampered with. But by 1980, the back garden setting of a midwestern *town is* vintage Americana and David Rounds, who won a Tony for the role of the innocent, has the chance to embody one of its long lost virtues. Mr. Osborn's script is also vintage craftsmanship as delivered by the exuberant acting of not only Mr. Rounds but also of Maureen O'Sullivan, Nancy Marchand and Maurice Copeland as assorted back-steps relatives.

Maureen O'Sullivan (left) and Teresa Wright in Morning's at Seven

A Day in Hollywood/A Night in the Ukraine made a late-season transatlantic trip from London to win its director, Tommy Tune, a Tony for best choreography along with his collaborator, Tommie Walsh. Mr. Tune changed the first act from a simple revue sketch into the kind of stage show that used to preceed first-run film *screenings.* A take-off on the Rockettes in the first act includes a Jeanette Macdonald lookalike singing an insulting song to a Nelson Eddy cardboard cutout. As homage to the old days at the movies, the show had an "ankle stage" above the heads of the actors, where two actors, seen from the waist to the feet, did the steps and wore the shoes of old recognisable favourites like Fred Astaire and Mickey Mouse.

Since most of the Broadway musicals this season were revivals, any new musical had a good shot at a Tony, thus encouraging a number of musical openings at the tail-end of the season. The season's last official opening was *Barnum,* a loud and brassy circus of humbug that won a Tony for its tireless and nimble star, Jim Dale.

As an evening's entertainment, the Tony Awards have some high spots, such as the scenes from *the nominations* for best musical of the year. Otherwise the show is just two parades of nervous people, one embarrassing themselves *in presenting* the awards and the other, in accepting them. The current fashion for thanking everyone, from agent to director, reduces *the glamour of* the event to a contest of who can be the most ingratiating winner. It used to be that a Tony helped establish careers: now *it* seems to work only if the right people are mentioned on camera.

The Tonys inherited the mode of false modesty from the much more competitive and vain world of the Oscars. But it has no one else to blame for the time-wasting and uninteresting stories that award presenters told about being an understudy. This was to be the theme of the evening. But besides forcing the show to run 22 minutes over time, the stories had nothing to do with the awards being presented and, as a whole, emphasised the greasepaint when the whole idea is to enjoy the glitter. A couple of awards had to be bypassed altogether, including two special awards, one to the Goodspeed Opera *Company in Connecticut, which* has supplied a number of musical revivals to Broadway, and the Actors Theatre of Louisville, whose *annual* playwriting contest has become an important source of new American plays.

Thanks to the national audience of 25m, the Tony Awards show gives every American the name of at least two shows they should want to see this year. *Evita,* the musical winner, was the season opener in September. At the time it was not apreciated by the critics, and audiences consisted to a large extent of teenagers with no interest in the controversy about idolising a dictatress. Everyone else had also forgotten about the controversy by the *time Evita* walked off with seven Tonys, including best musical actress for Patti Lupone.

The winning play, *Children of a Lesser God,* came from the Mark Taper Forum, an innovative Los Angeles house that has *contributed a number of plays* to Broadway in recent seasons. This play takes the extremely overworked women's lib theme *and puts it in the context of a* real struggle for dignity over physical impairment. The romance between a teacher of *the deaf and his pupil uses* every hackneyed phrase of women's cries to be treated equal, but it has to be done in sign language because the woman is deaf, and has to be translated on stage by her teacher so the audience can understand.

Committee formed to promote the arts

Mr. Norman St. John Stevas, the Minister for the Arts, is intensifying his campaign to get industry to support the arts by forming a committee to *advise* him on a co-ordinated campaign to drive home the message of the mutual benefits for both sides from business backing for the arts.

The committee will be chaired by the Minister, and includes Lady Hartwell, Countess Spencer, *Lord Goodman,* Lord Pritchard, Sir Charles Forte, Mr. Alastair Burnet, Mr. Clive Jenkins and more. The Minister hopes that *a campaign involving* leaflets, conferences, seminars, advertisements, articles, research and other devices will get a quick *response from* industry and that the £4m-£5m that industry puts into the arts will be doubled within a year.

The committee will work *closely with* the Association for Business Sponsorship of the Arts, which recently received £25,000 from the Government for promotional purposes. Mr. St. John Stevas said yesterday: "Extra money for the arts can *only come, in current* conditions, from the private sector."

He had been encouraged by the response from the chairmen of the clearing banks who he has approached in recent weeks with the idea of a Clearing Bank Foundation to help the arts, to be set up in addition to their existing sponsorship. The first fruits of the new drive is a booklet "The Arts are your Business" which sets out the benefits for companies in arts sponsorship.

A. T.

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Still waiting for the gun

ON THE FACE of it the May banking figures, and the official forecast of a two per cent increase in the broadly-defined money supply, Sterling M3, are bad enough to rule out any immediate hope of a fall in interest rates. The Prime Minister, indeed, more or less conceded as much in her comments at Question Time. All the same the markets, which had been rising strongly on the hope of early relief, suffered only a modest setback yesterday; they seem convinced that this must be almost the final deferral of their hopes—and indeed the Government's hopes.

Optimism

This hope is based partly on early indications of much better figures to come for June; but the market is not simply counting chickens which must remain in the incubator for some days yet. Some of the details of the May figures, together with the Government's admitted anxiety to cut rates, and its growing determination to ensure that the public sector does not prevent a cut, offer firmer grounds for optimism. Broadly, the figures show a picture of an established recession, with bank lending temporarily sustained at much the same underlying level by involuntary borrowing. The very sharp swing back into deficit in the Central Government accounts is by contrast disturbing; but this series is notoriously volatile.

Private borrowing from the clearing banks, at just over £500m, is higher than expected, especially since easier money market conditions enabled some commercial borrowers to turn back to the markets—and perhaps to some of the banks which have not yet reported their figures. The details of the quarterly analysis of advances suggest some possible explanations.

Borrowing

Borrowing by the food and drink and the vehicle industries, for example, has accelerated sharply; this reflects the fall in final sales—and in the food industry, the sharp cut in ordering by retailers—which has been reflected in the last week or two by announcements of short-time and redundancies. Industry is now struggling to reduce stocks; but the figures cover a month in which the sharp drop in sales which has made this effort so urgent was only becoming apparent, and in some cases stocks rose steeply above planned levels.

Private credit demand, then, can be expected to ease quickly as stock levels are brought under control—and as some companies take advantage of lower interest rates abroad to finance their international operations. However, the unfunded borrowing of the public sector is an equally important component of monetary growth, and it seems likely that it is the public sector performance which explains why forecast monetary growth is nearly half a point higher than the rise in the eligible liabilities of the banks.

The bad news here is that spending seems to be higher than expected — though the details of local authority spending, the likely culprit, are still obscure. The good news, expressed clearly in the Chancellor's weekend remarks on control of local spending, is that the Government is determined to tackle this problem directly, rather than impose a further penalty on industry.

Exchange rate

The market's persistent optimism, then, does not seem too unreasonable — though any conclusion at this stage must be highly tentative. The full money supply figures next week, which will complete the picture of the banking system and supply details of the distortions involved, will be of unusual interest. If they show that other measures of the money supply are subdued, and that the downturn in domestic credit expansion has been maintained—allowing for the timing of gilt sales—the case for lower rates before long will look much stronger.

Meanwhile the behaviour of the exchange markets, confirming that the exchange rate is indeed responsive to interest rates, North Sea oil notwithstanding, will only increase industry's impatience to hear the starting gun. The relief to cash flow, when it comes, will be reinforced, and this double effect may indeed ease the demand for credit in its turn. We may yet find, as the Americans have, that when the tide turns, it turns sharply.

Spain at the EEC door

SINCE THE beginnings of the European Community in the 1950s, France has played a predominant role in the vetting, and often vetoing, of new applications for membership. Few people in Britain need reminding of that right, enshrined in a Rome Treaty rule, that the club can only be extended with the unanimous consent of its existing members. Britain was kept waiting in the antechamber for well over a decade. Now there are increasingly strong signs that the French Government is having second thoughts about the entry of the country that General de Gaulle regarded as the third of the three great West European nations alongside France and Britain—Spain.

Portugal

President Giscard d'Estaing has not vetoed Spain's entry in the same way in which the General did that of Britain. Having supported early Spanish entry, however, he now says that the second round of EEC enlargement may have to wait until the first has been properly completed. Greece, which is due to join on January 1 next year, would slip through the net. But any slowdown in the timetable for Spain would also affect Portugal—both countries want to join at the beginning of 1983—even if Spain is the real French target.

There are undoubtedly a number of reasons for M. Giscard d'Estaing's change of position so soon after the resolution of the bitter argument with Britain over budgetary contributions. He may well wish to remind Mrs. Thatcher that France still commands a final say over the direction in which the Community is to develop. (Britain, along with the other Community Governments, though possibly for different reasons, favours Spanish entry).

Food imports

Equally, France has always insisted that the Community—and French interests—must be protected from the potentially damaging consequences of admitting new members. When President Pompidou finally lifted the veto on Britain in December 1969, he only did so on the condition that the Community's enlargement should be preceded by its "strengthening and deepening." It is arguable that a great deal of trouble would have been avoided if that had actually happened.

The main reasons for M. Giscard d'Estaing's pronouncement, however, are almost certainly domestic. French farmers are already angry about cheap food imports from Spain—as renewed demonstrations in the South of France have again shown in recent days—and even more concerned about the future threat to their markets if Spain becomes a full community member. Not only do French politicians have a deep-seated fear of rural militancy; the farm vote could play a crucial role in next year's Presidential elections. The Gaullists and Communists have already come out firmly against Spanish entry for these very reasons.

In this respect, M. Giscard d'Estaing's move can be seen as tactical and defensive. Once the election is out of the way, provided he wins, things could look rather different. The danger is that he will be seen to be following, somewhat half-heartedly, his opponents' lead, while at the same time abandoning the high ground of international statesmanship on which he has staked one of his main claims to the French leadership. It does not look good to let down such an important nation as Spain, which has long been promised membership and encouraged over the years to seek it by France more than anyone else.

Venice summit

It is true that the entry of Spain will cause the Community enormous economic, political and institutional problems, as West German Chancellor Helmut Schmidt has again recognised this week. It is also true that the Community has done precious little about tackling them in advance. That is not Spain's fault. As a European democracy, Spain is entitled to join the Community and should be made especially welcome at a time when the democratic West needs to stand together. The answer is not to postpone Spanish (and Portuguese) entry, but to examine how it can be used as an incentive to engineer the sort of agricultural and structural reforms that cannot in any case be long postponed. This week's EEC summit in Venice would be a good time to start.

The German election campaign: By JONATHAN CARR in Bonn

Helmut Schmidt: giant with chinks in his armour

THE PERSONALITY of Herr Helmut Schmidt is at the centre of the election campaign strategy of the West German government parties. The two coalition partners have just decided on their programmes for the election in less than four months' time. With little exaggeration it can be said that they are preaching hard work, discipline and no experiments — and that their programme is personified by the Chancellor himself.

It is not especially surprising that the Social Democratic Party (SPD), whose pre-election congress ended in Essen yesterday developed into a kind of Association for the Re-Election of the Chancellor. Opinion polls show his popularity clearly exceeding that of his party—so the moral for the SPD is clear enough, however hard some of the comrades on the Left may find that to swallow.

But it is astonishing on the face of it that the liberal Free Democrats (FDP), the coalition's junior partner, went so far in the same direction. The ghost of Helmut Schmidt was present throughout the FDP congress at Freiburg last weekend, and at times it seemed even more influential than the public exhortations of Herr Hans Dietrich Genscher, the FDP leader who is Foreign Minister. Certainly the FDP was most unlikely to swing towards the opposition Christian Democrats (CDU) and Christian Social Union (CSU) under their candidate for chancellor, Herr Franz Josef Strauss. Most members of the FDP feel that support for Herr Strauss — whom they see as a kind of misguided missile of the Right — would be the kiss of death for the liberals.

But was it likely that the Congress would vote so overwhelmingly — with only two dissenting votes from 400 delegates — to continue the alliance with the SPD? After all, Herr Genscher had warned the party that it faced the toughest election campaign in its history and that its existence was in danger. Delegates might have been forgiven for feeling that if such was the result of more than ten years in coalition with the SPD, it might be better to try something else. They did not — and a key reason was that most realised that with Herr Schmidt they are on to a winner. When the going becomes tough, almost all — whether left-wing Social Democrats or right-leaning liberals—turn to the Chancellor.

And there is no deying that the going is tough. Six months ago it was usual to hear (even, privately, from the ranks of the CDU-CSU) that barring major foreign policy setbacks or economic troubles at home the SPD-FDP coalition under Herr Schmidt seemed almost certain to win the general election on October 5. This view was so widespread that real enthusiasm for the coming campaign tended to evaporate—as though the country was being called upon to witness the replay of a match whose result was already known. The only upset, it was felt, would come if "Germany, a model for others"—to recall an SPD slogan from a past campaign, were to run into real problems which Her Strauss could exploit with his widely acknowledged oratorical skill. The upshot would surely be a duel between Herr Schmidt and Herr Strauss—a kind of battle of giants such as the Federal Republic had not seen since the clashes between the Christian Democrat, Konrad Adenauer, and the Social Democrat, Kurt Schumacher, three decades ago.

Foreign policy problems have indeed emerged, to a degree which even the blackest pessimists hardly expected. The double crisis in Iran and Afghanistan not only caused friction between Bonn and Washington—with the Germans bemoaning the apparent lack of any long-term U.S. concept for facing the challenge in the south-west Asian region. It has also threatened to undermine trade and political links built up with the Soviet Union and eastern Europe over a decade. The fruits of Ostpolitik—one of the proudest achievements of the SPD-FDP coalition—have seemed about to vanish. The problem of Britain's contribution to the EEC budget long paralysed the community—and the resolution of it may mean higher taxes for Germans on petrol and spirits from the start of next year.

At home the economy in the first quarter has been more buoyant than almost anyone expected and few doubt that real GNP growth of an average 2.5 per cent can be achieved this year—as the government predicted. But meanwhile inflation has surpassed an annual rate of 6 per cent for the first time since 1975, the Germans are having to accustom themselves to the unusual spectacle of a growing current account deficit—and there are clear signs of an economic downturn in the second half of the year.

Herr Strauss has been unusually restrained

The latest survey of business opinion issued by the IFO economic research institute makes notably gloomy reading. Even recognising that businessmen are rarely inclined to express unalloyed optimism, it is worth recalling that IFO has a remarkably good record in spotting the first signs of recession. Of course it does not have to be a recession—maybe simply a downturn followed by a recovery in 1981. But no one can be sure—and the embargo against Iran coupled with the threat of a partial embargo on exports to the Soviet Union hardly helps encourage the confidence of exporters.

Helmut Schmidt — Hugh Routledge

Despite all that, no battle of giants has so far begun—and it is beginning to look as though it may never do so. True, Herr Strauss put on a rousing performance at the recent CDU congress in Berlin—but for much of the time he has been unusually restrained. In seeking to present himself as a statesman, he may have subdued those very qualities of fire and wit which have been his greatest strengths in opposition.

He has attacked the Government for failing sufficiently to support the U.S.—but this is hard to make very credible to most Germans who see their country almost alone in Europe supporting President Carter's call for a boycott of the Moscow Olympics.

Herr Strauss has urged a tougher stand against the Soviet Union, yet for long he did not rule out going to Moscow himself for talks, Herr Schmidt will do so at the end of this month. Herr Strauss has spoken out for greater defence efforts—but the Government boosted military spending after the Afghanistan invasion to meet the 3 per cent increase in real terms called for by NATO.

In other words, it has been hard for many people to see just what Herr Strauss could have done which would have proved more effective than what Herr Schmidt has done. There is a clear public mood not to experiment. The crises which might have helped Herr Strauss have so far done the reverse.

Not that the "Iron Chancellor" has no chinks in his armour. Herr Schmidt's recent wrathful open message to a German newspaper which he said was misrepresenting Bonn's foreign policy, appeared more in keeping with the kind of ill-considered reaction the Chancellor often attributes to Herr Strauss. The initiative about which the paper was mainly complaining, Herr Schmidt's call on East and West not to deploy Intermediate Range Nuclear Missiles, was itself poorly launched. Meant as a new signal to Moscow to help get arms limitation negotiations off the ground, it was given in a public speech for which no text was available and which was open to misinterpretation.

All that said, Herr Schmidt has shown sure political instinct in guiding his country through the minefields—and his party recognises that, even those of the Left who yearn for more domestic social reform or who fear that Bonn heeds Washington too much. They know that without Helmut Schmidt the election would be lost—and Herr Schmidt knows they know it. His speech on Monday to the SPD congress was more like a government declaration that a party manifesto—largely low-key, factual, stressing that reforms had to be financed, and even noting there were good elements in the CDU opposition. It was the Olympian performance of one who does not have to play to the gallery.

On the platform at his side, under a huge banner proclaiming the congress motto, Security for Germany, there were two men whose personal political fortunes exemplify the position of the whole party. One was Herr Erhard Eppler, on the Left of the SPD, who neither wanted nor received much support from Herr Schmidt in his campaign in the recent election in the state of Baden-Wuerttemberg—and who came a cropper. The other was Herr Johannes Rau, a party centrist, who ran his campaign in North-Rhine Westphalia very much in Herr Schmidt's shadow — and emerged triumphant. At national level the party clearly has take nthe message—and is determined to follow the example of Herr Rau.

There is a catch—and the electio nin North-Rhine Westphalia shows it. The SPD won handsomely there, but its former coalition partner, the FDP, as in Bonn, slipped below 5 per cent voter support and vanished from the State Parliament. If this happened at national level one possibility would be for the SPD to gain an absolute majority in a two-group parliament. But that is mostunlikely. In the past three general elections, in 1969, 1972 and 1976 the SPD received respectively 42.7 per cent, 45.8 per cent and 42.6 per cent of the vote. In the unlikely event of getting an outright victory, however, Herr Schmidt's triumph could be short-lived. He would be faced with a much more restive, left-wing, freed from the bonds of coalition with the liberals.

Another possibility, also unlikely, is that that the CDU-CSU might gain the absolute majority. And for all the problems facing Herr Strauss in the campaign, it is worth recalling that in the past three elections the CDU-CSU gained 46.1 per cent, 44.9 per cent and 48.6 per cent of the vote.

Yet another possibility is that the ecologist party, the so-called Greens might receive more than 5 per cent support in the election, and enter parliament in place of the FDP. This is not very likely either. If it happened it is far from clear with whom the Greens would be prepared to work—Herr Schmidt or Herr Strauss. They cover such a wide political spectrum that almost any coalition combination seems possible.

Thus while the FDP is fighting to keep its nose above the 5 per cent required to win any Bundestag seats (it gained 7.9 per cent of the vote in 1976)—many in the SPD have an urgent interest in seeing it succeed. The possible alternatives do not look inviting. Even one SPD deputy usually associated with the left wing and thus in principle interested in an absolute majority in October, showed notable caution in private conversation. He felt—for better or worse—that political liberalism had become deeply ingrained in West German life. A major swing to the Left in the coming election would, he felt, send many former FDP supporters running to a CDU freed of Herr Strauss, who, it is thought, will probably retreat from the national scene if he fails to become chancellor, this time. The upshot, according to this reasoning, would be an early return of the CDU-CSU to the power it lost a decade ago—and opposition exile for the left for many years to come.

For the SPD the best possible result in October would therefore be a little more support than before, to give it some extra room for manoeuvre in Parliament, and a little less support for the FDP—but of course more than 5 per cent—to stop the liberals becoming too big for their boots. There can always be upsets—even in the relatively calm waters of West German politics. But at present, with Herr Schmidt firmly at the tiller, that seems to be the most likely way for the election to go.

MEN AND MATTERS

Vidal's changing business style

Three years ago, when he was 50, Vidal Sassoon gave himself five years to clamber to the top of the cosmetics industry alongside Revlon and Estée Lauder. And while he still has some way to go, I found the unfading darling of the sixties yesterday claiming turnover of $100m a year compared with $30m in 1977.

Hairdressing salons, the foundation of his U.S.-based company, Vidal Sassoon Incorporated, have shrunk into the background, contributing only about $12m a year to the corporate turnover. Provincial outposts of his "crimping" enterprise are being closed and the main skills and expenditure are being concentrated in what he describes as "flagships." In the U.S., for example, the Sassoon hairdressing standard now flies in the poshest boulevards of Los Angeles, San Francisco, Chicago and New York.

The price of international renown, it seems, is high ambition and high turnover among staff trained under his aegis. "The best people do not want to stay in the provinces, they want Mayfair and the bright lights," he told me yesterday.

And there are sound financial reasons, too. He closed his company's most famous outlet in Bond Street last year when he was faced with an increase in rent from £14,000 to £60,000.

While his fame seldom flagged during the seventies—he is a masterful self-publicist — the thrust of the company seemed to be dissipated in assorted licensing arrangements under which his name was used on cosmetics, clothing and other appurtenances of free-spending youth.

Now manufacturing in its own right, the enterprise seems to have settled into a more deliberate advance under th influence of 34-year-old Joseph Solomon, a former "crimper," to whom Sassoon has ceded the posts of president and chief executive.

The more muscular development of VSI began some seven years ago when Solomon dug up a biochemist with bright ideas o nhair products which tallied with Sassoon's idiosyncratic views on healthy living. With sales racing away in the U.S. and £1.5m earmarked for promotion in the UK, the shampoos are soon to be followed across the Atlantic by skin care products from Sassoon's own factories.

It is in the U.S., however, where the group's main strength lies, and rapid progress can probably be taken for granted. Sassoon is a cult figure there, much admired as an author and showbiz personality—he has his own TV production company which has just sold a chat show series starring himself to 60 stations. In Britain, where consumers tend to be rather more phlegmatic, and where he is still best known simply as the East End lather boy who made good, he has to make his mark with a more circumspect breed of consumers and win the hearts of a generation who were in rompers when his star shone brightest on this side of the Atlantic.

High hopes

Former chairman of Booker McConnell, Sir George Bishop, is taking to the hills again today. In the rarified atmosphere atop the Pyrenees he aims to prepare for greater climbs later this year. He also travels in search of inspiration. Only six months away from his official deadline he is still £200,000 short of his fund-raising target of £400,000 for the Royal Geographical Society, and he is puzzling how best to extract the balance from the City and industry.

At the society's 150th anniversary jamboree on Monday his efforts so far—not to mention his high-altitude exploits—earned him an honorary fellowship.

Now, he tells me, he is seeking recognition, with his wife Una, as the oldest climbing couple in Britain still in the 20,000-foot club. "When I was 40," he says, "I felt I was growing too old for climbing so I took up photography." Now he is going on 67 and plans an assault in the autumn on a 19,000 ft peak in the Annapurna range.

Front runners

With Westminster's political tic-tac men shouting the odds on the man to succeed Jim Callaghan, the professionals at Ladbrokes have added their voice to the chorus. While it would be presumptuous of me to suggest that the firm has lifted its tips from my recent note on the book of Ian Mikardo, Parliament's unofficial bookie, the placings are remarkably similar.

John Silkin has been installed as favourite at 9 to 4 (he was 13 to 8 front-runner in Mikardo's list, Denis Healey is 5 to 2 (7 to 4), and Peter Shore is quoted at 3 to 1 (7 to 2). Coming up fast, however, is the lean and hungry Tony Benn. An outsider at 33 to 1 according to Mikardo, he has been promoted to 4 to 1 in the Ladbroke list.

Fleet's fault

I would have thought Britain's hard-pressed fishermen had enough to worry about without the brickbat lobbed in their direction yesterday by Geoffrey Hall of the Take Away and Fast Food Federation. He told a group of sceptical MPs yesterday that chip shops and fishmongers were closing at the rate of more than one a day—and that the fishermen had to bear much of the blame.

With some indignation he said fishermen had treated retailers with "scant respect" over the year. For instance, the fleet and port workers shut up shop over Christmas and the New Year, leaving the trade without fresh supplies for ten days. Would Mr. Hall, I wonder, care to pop up to Hull where redundant deckies and humpers would no doubt be pleased to hear a repetition of his interesting views?

Rich catch

Not so long ago Taiwanese and Chinese fishermen used to fish side by side in the Straits of Taiwan and exchange cautious greetings. Now, as the fleets mingle, they exchange gold rings, bracelets, watches and cigarettes.

Quartz watches are in short supply on the mainland and fishermen from the People's Republic have been asking for supplies in return for their valuables. The Taiwan Government has grown agitated at this barter through the Bamboo Curtain and customs officers have in recent weeks confiscated more than £1m worth of silver coins and gold from crews returning from so-called fishing trips. More than 20 fishermen have been arrested.

Inflated hopes

"Do you want to be rich," the small ads used to say. "Send me £5 and I will send you details of my method which can make you wealthy in a week."

The dreams of avarice on which such advertisers prospered are not only still being dreamed, I must report, but they are also being seriously affected by inflation. "If you want access to $500m of Arab capital with an annual salary of $100,000," says a letter now circulating around the world, "just send $25,000 for a confidential list of Middle East investors."

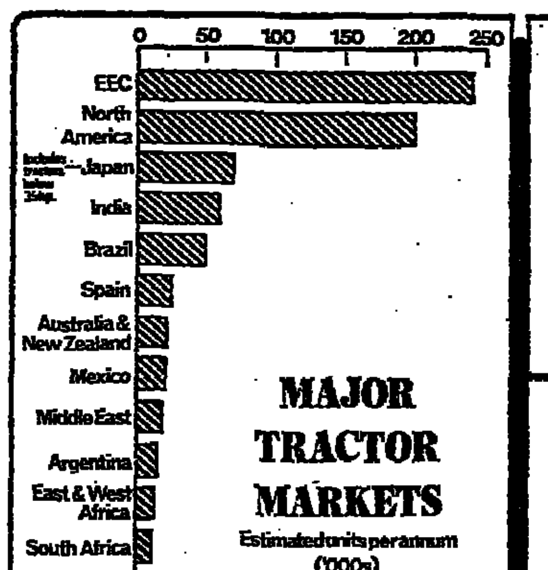
Officer material

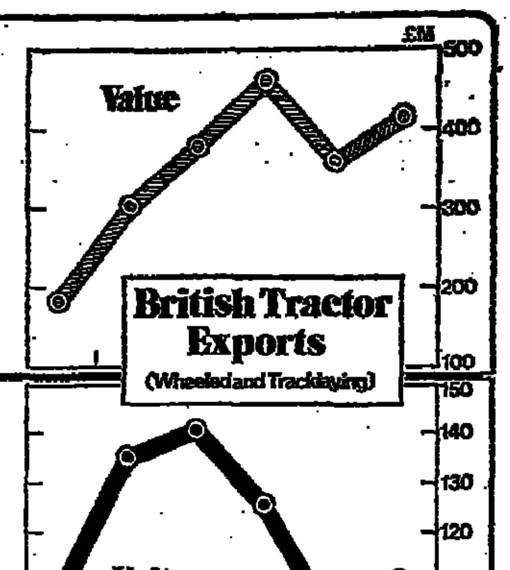
"You are marching a platoon towards an enemy village," a Surrey schoolmaster told a young cadet force trainee. "You arrive at a ravine to discover that the bridge crossing has been destroyed. What would you do?"

"Yes sir," replied the young soldier, "I would tell my men to fall out for five minutes and then fall in on the other side."

Britain's tractors stuck in the mud

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT





WHEN THE Americans decided that Britain was a good place to make tractors, they did not reckon with the current crop of problems. High interest rates, high inflation, but most of all the high exchange rate, are causing some anxious moments at Ford, Massey-Ferguson and International Harvester.

Massey's chairman and chief executive, Mr. Victor Rice, predicts that this combination of economic factors will be a "recipe for disaster." Mr. Joseph "Bud" Thompson, recently arrived from International Harvester's Chicago head office to run the British tractor operation, agrees that "exporting from UK is a serious problem at this moment."

Four of the big five tractor manufacturers in Britain are American-owned. The fourth (besides Ford, Massey and International) is David Brown Tractors, a long-established British company which was taken over by J. I. Case (part of Tenneco) in 1972. Leyland Tractors is the other big name, but its market position has declined in the last few years.

Together, these companies constitute a significant sub-sector of the British engineering industry. Employees of the four multi-nationals engaged in tractors and associated products, total around 25,000 including Perkins Engines, owned by Massey, which sends between 30 and 35 per cent of its engines to Massey factories. The industry also provides employment for many more in supplying components for tractor assembly.

The exports of these multi-nationals make a significant contribution to the British economy, amounting to several hundreds of millions of pounds.

The total tractor manufacturing operations of Ford, Massey and International are geared to the siting of strategic plants in certain key countries from where they export worldwide. Britain's annual demand for tractors is tiny when set against the total capacities of the multi-nationals' plants in the country, which means that they are exporting between 65 and 80 per cent of their output.

The importance of exports in the British part of the operation is the kernel of the current problem. Mr. Rice says that the sterling exchange rate has cost Massey a staggering \$33m to \$35m in the first half of this year. Add to this the effect upon costs of the UK's high inflation rate and the high interest rates, and he reckons the "extra" cost of manufacturing in the UK amounts to another \$30m. International cannot give a figure on the total amount by which it has been

Employees of the four multi-nationals total around 25,000

hit by sterling, but it is enough to say that it did its 1979 forecasts on the basis that the pound would be worth \$2.18, and even more optimistically, they reckoned it would fall to \$1.97 in 1980. The rate has in fact risen above \$2.30.

There are some compensations — Mr. Thompson says International was bringing in engines from Germany to the UK a little time ago and "the exchange rate was killing us." But he says that the present sterling-dollar rate means that it is impossible to manufacture a tractor in Britain which can be competitively priced in the U.S. This is of more than academic interest, since International decided five years ago to concentrate at Doncaster, manufacture of its small tractor which sells well in the U.S. as a second or third tractor for large farms.

While multi-nationals can find themselves in the uncomfortable position of "backing the wrong country," at least temporarily, their large purchasing power can enable them to shop around for the best prices. Thompson says International does not like to take long-term decisions on the basis of short-term problems, such as the exchange rate. But he admits that the company is looking at switching component sourcing to suppliers who can offer more competitive prices.

Massey buys components valued at £78m for its Coventry plant. About two months ago, the decision was taken that the sterling problem was not going to disappear quickly and that components could be bought from abroad if the price was right (although the company's policy is still to buy British wherever possible). Purchasing managers say British suppliers have tried hard to maintain competitive prices, but in some cases clearly without success. Massey's supplier of seats, for example, put prices up by 17 per cent between January 1978 and September 1979. During the same period, those of a German supplier fell by 1 per cent in terms of sterling, mainly because of the exchange rate.

Massey opted for the German quotation, which meant the loss of a £250,000 contract to the UK. A German supplier also gained a contract to supply headlamps at a saving of 11 per cent to Massey. A British supplier of iron castings, however, agreed to reduce prices and so kept the contract, accepting the consequences for his own company's margins. Given that these decisions on supply are not lightly reversed, it can be seen why some Midlands suppliers are worried about the long term damage that is being done to the components industry, particularly when they have already been hurt badly by the decline of the motor industry.

When the difficulties of tractor production in Britain are set in the context of the much greater problems besetting each of the parent companies—Ford, Massey and International—in North America, a longer shadow begins to spread over their British operations:

FORD is suffering from huge losses piling up on its automotive activities in the U.S. The possibility of selling off the tractor division was one of several options looked at by top Ford managers about 18 months ago, but last summer Ford announced that this would definitely not be done. Ford has since pulled out of a costly foray into European construction equipment by selling off most of its French subsidiary, Richier. That improved the operating economics of the tractor division by which Richier was administered.

MASSEY: After a financial crisis which threatened to escalate into a product credibility crisis, this Toronto-based tractor giant started to pull round last year. The exercise was painful. Plants have been closed, and the senior management structure almost completely overhauled since Mr. Rice took over. But Massey's still needs to raise equity in order to reduce its borrowing burden, and the North American recession could not have come at a worse time for the concern.

INTERNATIONAL HARVESTER: A five months' strike at nearly all International's U.S. plants earlier this year left the truck and tractor group with a \$479m loss in the first half. Almost as soon as the strike was settled, short time and lay-offs were announced. A loss is forecast for the full year, and there have been some signs of retrenchment such as the withdrawal of a new piece of construction machinery only two months after its launch. This has affected Doncaster, which made the kits for shipment to the U.S. Details of International's deal to buy a stake in Enasa, the Spanish truck manufacturer, have yet to be formally announced. It is known that a new diesel engine plant in Spain is planned, but some observers think that it could have implications for all International's activities in addition to trucks.

The collapse of the North American market for tractors has already been the cause of substantial lay-offs in the industry, which will probably accelerate in the second half of the year.

Even John Deere, the most successful of all the agricultural equipment companies' has had to lay off people. The ripple effects have spread across the Atlantic — Basildon and Doncaster are both on short time working.

The peak buying periods for tractors in the farmers' year are March-April, and September-October. In March 1980, 12,500 tractors were sold in North America compared with 18,000 in 1979, and in April sales were down from 25,000 to 14,000. The reasons have been variously put: the embargo on grain sales to the Eastern bloc; poor grain and hog prices; high interest rates, which are particularly difficult for farmers.

Normally a year's sales of tractors in Britain are the equivalent of only one or two months' sales in North America. This

All of them deny they are thinking of pulling out of Britain

year they have dropped much more than everybody was forecasting at the beginning of the year. So far they are down by about 20 per cent, and the pessimists predict the final outturn could be as low as 20,000 in 1980 against an annual average of around 29,000. The reason, farmers say, is that their incomes have not risen by anything like as much as their costs.

Normally tractor sales are fairly stable in North America and Europe. Although there has been a downturn in unit sales over the years, it masks the fact that the trend is very much towards larger tractors which have a higher value. The unstable markets are in the developing world—Turkey, for example, which was an important market, collapsed overnight when its credit was cut off.

The rise and fall of markets like Turkey, and latterly Iran, can be compensated for by growth in new markets. The long-term expectation of the tractor manufacturers is that the developing world will be the source of future growth simply because most Governments in these countries acknowledge that agricultural development is a priority. The American-owned multi-nationals, however, face tough competition in many of these markets from manufacturers such as Fiat and some east European companies, particularly Zetor. They are all anxiously trying to tie up deals with China where the potential is obviously enormous.

Another possible threat to the dominance of the multi-nationals could be the Japanese, who have proved themselves very successful at capturing a large chunk of the below 35 hp tractor market in the U.S. This is a small market both in the U.S. and Europe, but the Japanese have managed to tag their tractors on to the established distributors, and some believe that they will be in a strong position to challenge the big manufacturers over a broader range in a few years' time.

None of the multi-nationals can afford therefore to let their competitiveness deteriorate, which is why the economics of manufacturing in the UK are a critical consideration. Ford, Massey and International have invested heavily — Massey's plant at Banner Lane, Coventry, for example, is the biggest tractor plant in the Western world. J.I. Case has also recently completed a big investment programme at David Brown, and is in the process of integrating the company more closely within its European operations.

All of them, as would be expected, deny that they are thinking of pulling out of Britain. The most integrated operation is run characteristically by Ford. Basildon is the largest of its three main plants—the others are in Antwerp and Michigan—and the product that they make is completely international. Geoff Tiplady, executive director Ford Tractor UK, says Ford developed the "world tractor" in 1964 when the three-plant axis was set up, "long before the world car was ever envisaged." Both Massey and International also have plants in France and Germany, but their operations are less fully integrated than Ford's.

Mr. Robert Rhodes James, Conservative MP for Cambridge, plans to make representations to the Chancellor of the Exchequer shortly on the scale of the problems facing the agricultural equipment industry, and particularly the tractor sector. His fear, and that of others, is that further contraction will follow if the economic dice continue to be loaded against the multi-nationals in the UK. Mr. Rice has already told Sir Keith Joseph, the Industry Secretary, of the damage, but to no avail. It has to be admitted that the efforts of others are not likely to meet with any more success.

Letters to the Editor

The banks and small companies

From Mr. Andrew G. Elliott.

Sir,—Mr. L. F. Daffey (June 7) is very right in saying that the Government talks a lot about helping the small businesses but does very little. But it is not only the Government which does its utmost to kill the small company. The *banks charge 1 per cent or 2 per* cent or 3 per cent more for an overdraft compared to what they charge ICI.

They regard ICI as safe but when I asked the chairman of one of the big four how often they had lost in lending bridging loans against house purchases *for sums of £50,000 or over,* he did not reply. I doubt if they have ever lost money on house bridging loans but they still try to charge even up to 4 per cent or 5 per cent more.

The computer also helps the banks because nowadays most banks cannot tell you whether cheques have been *presented* without a "print-out," which can take days.

The Government also doubled the stamp duty on shares and even though we have had a change of Government it is still 2 per cent. One could go on indefinitely, but the fact re*mains that most of the help* supposedly given to small businesses never reaches them.

Put simply, Governments like big businesses; that they can control easily and big businesses hate small businesses because they can usually knock spots off them for *price, etc. Statistically, small* businesses make larger profits than big ones and this is a fact not very widely known.

Andrew G. Elliott,
Burlington Lodge, Bear's Den,
Kingswood, Surrey.

Challenging the Chancellor

From Mr. S. A. T. Mir.

Sir,—For the Chancellor to say, on television, that hardly any economist in the country seriously disagrees with the current economic policies, is wishful thinking. The damage already inflicted upon small businesses and the exporters, by persisting with the policy of record interest rates, is incalculable.

What have his policies achieved in the past 12 months? The answer must be: higher rate of inflation, more unemployment, bigger trade deficit and crippling blow to enterprising newcomers in business. It must be a mad world which allows moneylenders big profits for doing little, whereas the wealth creators are driven out of business for lack of funds.

All this, because a few individuals in high places had a crazy notion that they can cure inflation by controlling the money in circulation, and circulation of money can be checked by penal interest rates. Both of these premises are out of line in present-day United Kingdom.

During the last three years liquidity has been the lesser cause of inflation in the UK. The major causes of inflation happen to be: (a) lower industrial productivity compared to earnings; (b) high indirect taxes; (c) UK cost of living levelling with the EEC countries; (d) high interest rates being passed into the system in increased prices.

Penal interest rates discourage borrowings *only up to a point,* and after that point the necessity to borrow overtakes the economic considerations—this is what is happening now.

It is high time that the Chancellor had an impartial look at his strategy by drastically cutting MLR, by having a dialogue *with CBI and TUC to find means* of increasing productivity and by seriously pursuing a policy of helping newcomers into industry and the exporters.

If the actions on the lines suggested above are not forthcoming, I can clearly see the British industry devoured by *the Japanese, the Americans,* and other progressive countries, almost completely, within the next 10 years.

S. A. T. Mir,
59, Tudor Gardens,
London, W3.

The insolvency stakes

From Mr. Michael D. Bird

Sir,—Andrew Fisher (The management factor in the insolvency stakes June 9) suggested the correlation between company liquidations and inadequate management, a view which I wholeheartedly support. Over the last 24 months, I have *been in contact with* the management of six public companies currently in liquidation, with a view to assisting in reducing their interest charges by means of a substantial improvement in their cash-flow from their receivables.

In those cases where figures *were made available,* the need was obvious and proposals were submitted showing that an improvement in cash-flow could be achieved on a highly cost effective basis. In certain circumstances, the cash-flow improvement amounted to over £800,000, a figure which if achieved would probably have averted the crisis.

In every case the offer of assistance was rejected on the basis that either it was felt that *there was no need for improvement,* or that the improvement could be achieved from within the company's own resources. Such folly must now be apparent.

Michael D. Bird, director.
Resource Evaluation,
133, Aldersgate Street,
London EC1.

BBC musical economies

From Mr. G. M. Ledingham

Sir,—The correspondence regarding the musical cuts at the BBC would appear to be merely skirting around the heart-land of the matter.

Neither the BBC nor its critics is in any position to carry a meaningful dialogue until the Corporation produces an accounting report which does something more than merely show the difference between total income and total expenditure.

The BBC keeps its accounting information very close to its chest indeed.

G. M. Ledingham.
Hotley Rough,
Prestwood,
Great Missenden,
Bucks.

Inaccurate tax assessments

From Mr. S. W. Penwill.

Sir,—Mr. Tony Christopher, of the Inland Revenue Staff Federation, suggests that the cure for the errors in assessments *is yet* more staff (June 6).

During my many years as a practising accountant, when assessments used to be issued in floods in early November, the average percentage of those needing appeal was no less than the percentage at present stated *to be inaccurate.*

An Inspector of Taxes once said to me, when I queried why he was working late when all his staff had gone home, "*because I am the only one here who can* read a balance sheet."

I would suggest that the solution is not more staff but better trained and more efficient staff and less paper pushers.

S. W. Penwill,
158, Fenchurch Street,
London EC3.

The fault, dear Brutus . . .

From the chairman of Stuart Davis.

Sir,—The report recently published by N.I.E.S.R., which spotlights alleged deficiencies in the training skills for engineering appears to be too vague in definitions. As Mr. V. Slinn of the Machine Tool Trades Association, and, Mr. A. D. Walshe rightly point out, there is not too much wrong with craft training in the UK. Neither, in my experience, is there any shortage fo candidates for craft apprenticeship.

Nevertheless, there does appear to be a very great shortage of qualified technical engineers, capable and willing to make a success in design, production engineering or as project managers. The contrast with Germany and Switzerland in particular, is depressing.

I suspect the problem is not basically one of education to degree level and subsequent training, but that choice is being exercised by graduates to the *disadvantage of manufacturing* industry. Until jobs in manufacturing appear as attractive in every respect, as in other professions there will be a continuing shortage of qualified applicants.

The fault dear Brutus . . . . .

Douglas D. Davis,
Chairman,
Rowley Road, Coventry.

Opportunities to save CTT

From Mr. Tom Shucksmith

Sir,—Eric Short (June 7) rightly says that small self-administered pension schemes offer company directors opportunities to save CTT. The main CTT advantage, apart from lump-sum death benefits distributable under discretionary trusts, results from the reduction in the net worth of the company by the amount of the net cost of pension contributions, which may be very substantial.

The transfer of a property from a company to the pension scheme is not an essential part *of the plan to save CTT.* Indeed, it may have disadvantages because of a capital gain arising on the realisation of a property.

Furthermore, such an investment may not be acceptable to the Inland Revenue unless there is an appreciable period until *members retire, the property* can be secured by about three years' contributions and the property is of a marketable nature.

The advantage of a property purchase is in improving the company's cash flow, but there are other ways in which the *drain on cash flow can be* cushioned and for some companies at least cash flow may not be a problem.

Tom Shucksmith,
Roquebrune,
Blackborough Road,
Reigate, Surrey.

Cigarette pack design

From Mr. S. J. Symington

Sir,—I was interested to follow the logic of Mr. T. P. F. Miller's letter in which he seemed to suggest that there should be controls on pack design for cigarettes as an extension to the existing advertising controls.

To develop his argument, therefore, perhaps he would like to see controls on literacy in order that the public can be *protected from reading and* understanding pack designs?

S. J. Symington.
Bedford Street, London, WC2.

Unit-linked insurance

From Mr. F. E. Hughes-Onslow.

Sir,—Eric Short's article of June 7, Henderson Seeks the Best of Both Worlds, is written in such temperate language that its significance may be lost upon the casual reader. This would be a pity because it sheds some clear light upon an important area of unit-linked insurance operations, in which, it seems, none of the protagonists is acting in the best interests of *the individual investor.*

The rewards for selling a single premium bond have always been greater, both for *the insurance company* and for the insurance broker, than those for selling the same value of units in a unit trust. Paradoxically, the advantage to most investors has generally lain the other way, and following this year's Budget the advantages enjoyed by units against bonds have been still further increased.

Nevertheless, as the article states, "*insurance brokers are* still selling bonds in preference to trusts." Would an insurance broker perhaps explain to us *why this should be so?* Much can be and is made of the somewhat nebulous value of flexibility in bond operations, but it appears that the only bonds which may be honestly marketed nowadays are those linked to property or gilts.

The arithmetical handicap upon the price of a bond, in terms of CGT alone, which Eric Short clearly illustrates, is formidable indeed. I was taught that it was the duty of a broker to secure for my client the contract best suited to his needs.

Experience leads me to believe that the single premium unit-linked bond has been responsible for diverting many *advisers from this precept,* while at the same time it has undermined and weakened the unit trust industry as a whole.

F. E. Hughes-Onslow.
Lowndes Court,
London, SW1.

Today's Events

GENERAL

UK: Mrs. Margaret Thatcher speaks at Press Association annual lunch, Savoy Hotel, London.

Prince Philip addresses Institute of Housing conference, Harrogate.

Mr. David Howell, Energy Secretary, speaks at British Combustion Equipment Manufacturers Association lunch, London.

Prince Charles opens Shipbuilding Industry Training Board's new boatbuilding centre, Southampton.

Mr. Eric Heffer and Mr. Ian Wrigglesworth address Labour Committee for Europe, House of *Commons.*

Institute of Manpower Studies seminar on Stansted Airport's impact on employment, Harlow.

Mr. Ray Balfour, British Embassy counsellor, Kuwait, speaks on export opportunities in Kuwait, London Chamber of Commerce.

PARLIAMENTARY BUSINESS

House of Commons: Tenants' Rights (Scotland) Bill, remain*ing stages.*

House of Lords: Debate on Government's monetary policies and their damaging effect on trade, investment and employment. Licensing (Amd.) (No. 2) Bill, committee. Licensed Pre*mises (Exclusion) Bill, third* reading. Short debate on broadcasting licence fee and BBC expenditure.

Select Committees: Defence, Room 8, 10.30 am. Foreign Affairs, Room 15, 10.30 am. Scottish, Room 6, 10.30 am. Industry and Trade, Room 16, 10.45 am. Public Accounts, Room 17, 4.15 pm.

OFFICIAL STATISTICS

Construction output, first quarter.

COMPANY MEETINGS

See Company News, page 26.

Allied Breweries slightly higher with £113.1m

RECOVERY FROM the effects of the Warrington brewery strike and much improved performance in the second half enabled Allied Breweries to finish the year to March 3, 1980, with taxable profit of £113.1m on sales of £2.2bn. The current cost surplus was £71m.

This represented a marginal advance on the comparable annualised figures for the previous 53 weeks which indicate profit of £112.4m on turnover of £2.13bn.

The company points out that, because the actual previous accounting period was for 75 weeks and included some contribution from J. Lyons Group, acquired during 1978 a straight comparison is not meaningful.

Revaluation at year end of a major part of the group's properties in the UK and Ireland, except for those related to Lyons, threw up a £253m surplus over book value, which has been taken to reserves.

On the annualised basis there was a £13m profit rise to £54.5m in the second six months following the decline to £58.6m (£70.9m) at midyear.

Earnings per 25p share for the year from operations dipped to 13.3p (14.2p) and, after an extraordinary debit of £16.7m, against a £5.9m credit, the fall was from 15.1p to 10.5p. However, a 3p final takes the net total dividend to 5p, compared with an annualised 4.39p or 6.2214p for 17 months.

The group's overseas beer business ran into a loss for 1979-80 but the original beer division in the British Isles lifted profit from £51.8m to £57.6m.

During the year the former international division was discontinued and its activities divided between the beer and wines, spirits and soft drink divisions. And hotels were absorbed into the food division.

Reflecting these changes an analysis by activity of sales and pre-tax profit shows beer £709.2m (£665.4m) and £54.8m (£56.1m); wines, spirits and soft drinks £747.1m (£708.7m) and £51m (£44.1m); and food £813.8m (£825.7m) and £22.8m (£18.2m) less central services costs of £15.5m (£6m) and £70.2m (£67.1m) internal sales.

Budgets for authorised expenditure on fixed assets and trade loans at March 1, amounted to £192m of which beer accounted for £117m. Capital spending over the previous 52 weeks had reached £84.6m with £67.6m being spent in the UK.

Group trading surplus was £178.5m (£167.2m) before depreciation of £41m (£39m) and finance charges of £46.8m (£40.4m).

The pre-tax total included a £10.4m (£14.5m) surplus on property sales, £1.7m (£3.4m) investment income and a £10.3m (£6.7m) share of associates.

Tax took £29.7m (£24m) and available profit emerged at £63.1m against £90.7m.

CCA profit was arrived at after providing for £46.3m extra depreciation and £23.1m additional cost of sales less an £11.8m monetary working capital adjustment and a £16.3m gearing adjustment.

The historical balance sheet at year-end shows net overdrafts and short term borrowings of £57.3m (£124.5m) and loan capital up from £299.8m to £365.3m. Share capital and reserves were £876m (£573.3m).

The extraordinary loss this time arose mainly from the disposal of the meat business last September. The previous year's sale of the group's investment

Lex, back Page

HIGHLIGHTS

Yesterday's banking figures set back hopes of an early MLR cut and Lex discusses the reasons for the latest trends. Elsewhere it was a busy day for the brewing sector. **Allied Breweries** announced a slight increase in profits with a strong performance from the food sector, though brewing barely held its own. Brewing too was unexciting for **Grand Metropolitan**, but other interests such as wines, spirits, gambling and milk have allowed the group to produce a profits increase of over a fifth at the halfway stage. On the inside pages **Carless Capel** has popped up with a £9½m rights issue and Premier Oil produces results. Profits are ahead from **International Timber** but the figures are accompanied with a gloomy statement for the future, and toy company Spear, while down, has not seen the pressures of some of its contemporaries.

£1.4m claim against Heath Grp.

THE 1979-80 report and accounts of C. E. Heath and Co. reveals that there is pending litigation against a subsidiary of the insurance broking and underwriting group in that a claim totalling £1.39m has been made against the company. However, the action is being defended and the directors believe that no material loss will fall to the group.

Group pre-tax profits fell from £16.05m to £12.95m for the year ended March 31, 1980, struck this time before an exceptional debit of £0.89m representing a provision for uncollectable amounts due from insurance companies—as reported May 21.

The result was affected by the strong pound, the softness of insurance rates, over capacity in world markets and the effects of inflation on group expenses.

Mr. F. Holland, the chairman, comments that a greater part of the group's income comes from overseas, but with a large part of expenses incurred in the UK, no quick solution to Heath's problems is seen.

Therefo re,any significant improvement this year on the 1979-1980 results is unlikely, he adds.

Brokerage income last year dropped 4 per cent to £19.31m, but had sterling remained at the same level the figure would have been £1.48m greater. The group has completed the recorganisation of some of its UK-based insurance broking subsidiaries, while the international business has been merged into its successful North American operations.

The board believes these changes will benefit the companies involved which are now well placed to take advantage, when an improvement in world trading conditions occurs.

The group is continuing its position in the U.S. as an independent broker.

On the underwriting side, the Lloyd's agency operations contributed only a small amount to group profits. But following expansion over the last few years in these operations, the activities are in a good position for the future and the board looks for a more substantial contribution from this area.

Mr. Holland is hopeful that there will be a modest improvement in 1980-81 from the Australian underwriting operations after last year's "reasonable" performance.

Results of the French underwriting operation, Groupe Sprinks were much less than anticipated. Certain inherited problems which have emerged are taking a substantial amount of management time, but the chairman says every effort is being made to overcome them.

At the year-end, group long-term loans were lower at £0.84m (£1.5m). Short-term loans had jumped from £0.5m to £30.6m but these have all been repaid since the balance sheet date.

The company proposes to introduce for members of staff a profit-sharing scheme of the kind envisaged in the Finance Act 1978.

Meeting. Baltic Exchange, EC, July 2, noon.

Premier Oil in loss after tax

BY ALAN FRIEDMAN

AN INCREASED after tax loss of £271,295 against £158,543 is reported by Premier Consolidated Oilfields for the year to March 31. Profits before taxation moved up, however, from the 1979 level of £9,886 to £249,702 last year. In the market the shares fell 4p to 91p.

The group was hit by £382,827 of Trinidad tax charges on oil produced there and an operating loss of £492,000 on the Buffalo Creek coal mining business in Tennessee. The Trinidad tax charge brought group taxation up to £424,852 (£96,004).

Mr. Roland Shaw, chairman of Premier, said yesterday that the group had promising ventures in the Rocky Mountain Overthrust region of the U.S., where a successful well has been drilled at Monument Creek in Utah.

He also indicated that Premier would be participating in the Seventh Round of North Sea oil block bidding with a 12½ per cent stake in the Esso consortium and as manager of its own group, to be made up of UK interests.

"These results are in line with our policy of growing and increasing our assets. It is a long process, but we think we are on the right track," he said.

Turnover comprising sales of oil, gas and coal plus operating fees was up from £2.95m to £3.17m the previous year. Total revenue including dividends from the group's holding in Lasmo came to £3.59m (£3.13m).

Mr. Shaw said in his statement yesterday that Premier has maintained its interest in Lasmo which presently has a market value of £14.9m. He also noted that the onshore Sutherland well near Brora, Scotland, which Premier operates and in which it holds a 40 per cent interest, was spudded last Friday and is drilling ahead.

As in the past, no dividend is proposed by the company, but the Board is proposing a one-for-ten scrip issue.

Ocean Wilsons at £2.96m

A FALL in pre-tax profits from £3.18m to £2.96m is reported for the year to January 31, 1980, by **Ocean Wilsons (Holdings)**, the investment company with interests in Brazil. Turnover was down from £42.96m to £25.47m.

At halfway, reporting profits of £1.86m (£1.75m), the group said the depreciation of the cruzeiro and the strength of sterling had eroded the Brazilian companies' *improvement, and the final result* would depend largely on the exchange rate.

UK tax for the year took £174,000 (£215,000) while overseas tax for the current year took £1.15m (£1.22m) and for prior years £151,000 (£19,000 credit). Profit retained was £887,000 (£1.29m).

A final dividend of 3.5p (2.5p) makes a total of 4.5p (3.5p). Earnings per 20p share are given as 11.9p (13.27p) and a scrip issue of one for one is proposed.

The market value of the group's listed investments at the year-end was £4.7m (£4.3m) showing a surplus over book value of £2.1m (£2.02m).

Aero down 36% and omits final

Pre-tax profits of Aero Needles Group, the manufacturer of knitting and sewing needles and general smallware, fell 36 per cent from £460,202 to £293,542 in 1979. Turnover was down from £7.78m to £7.71m. At halfway the company reported profits of £233,041 (£176,506).

Results were severely hit by fires at the company's factories, and set against a trading deficit of £44,022 (£385,202 profit) is loss of profit compensation of £337,564 (£75,000).

The excess of insurance compensation over book value of the fixed assets lost in the fire produced an extraordinary item of £698,371 (£180,600). There was a tax credit of £365,765 (£80,452 charge) and after dividend payment the retained balance is £1.23m (£396,358).

The final dividend is omitted (0.843p), making a total of 1.6p (1.576p). Earnings per 25p share are given as 14p (7.46p).

Mr. S. W. Weber, chairman, says the group is concentrating on re-establishment in the new factory and offices, while the sales effort will be focused on regaining as much as possible of the market share lost after the fires.

The strong pound, high interest rates and low activity throughout the haberdashery trade indicates, he says that 1980 will be extremely difficult.

Current assets at the year end amounted to £7.64m (£4.92m) and current liabilities £5.19m (£2.59m), while working capital had increased by £162,717 (£792,906).

Revenue rise at Gt. Portland

REVENUE of Great Portland Estates, property investment concern, rose from £5.75m to £7.02m for the year ended March 31, 1980, before tax of £2.93m against £2.64m. Gross rental income improved from £8.73m to £10.09m.

The dividend is effectively increased to 5p (3.33p) net per 50p share with a final of 4p and the directors forecast a maintained total dividend for the current year. Also proposed is a one-for-four scrip issue.

Earnings per share are shown as 1.4p ahead at 6.2p at the year end.

Pre-tax revenue was struck after cost of repairs amounting to £670,421 (£339,615) on refurbishment of properties, and after tax net revenue was £4.19m (£3.17m), which included £101,000 (£61,000), equal to the outgoings attributable to properties in the course of development.

During the year the company realised a £320,317 (£1.7m) surplus on the sale of investment properties, after capital gains tax, which has been transferred to capital reserve.

Yearlings hit 1980 low

The interest rate on this week's issue of local authority yearling bonds is 14¼ per cent, the lowest rate so far this year, down from 15¼ per cent last week and a peak of 17¾ per cent on the issues of March 25 and April 1. Issued at par, they are redeemable on June 17, 1981.

The issues are: City of Swansea (£1m); Angus DC (£1m); City of Bristol (£1.5m); Inverness DC (£0.75m); West Yorkshire Met. C.C. (£0.5m), St. Helen Met-B.C. (£0.5m); City of Salford (£0.5m); District of the Wrekin (£0.5m); West Dorset DC (£0.5m); Borough of Chesterfield (£0.5m); City of Glasgow DC (£0.5m); Kerrier DC (£0.25m); North Devon DC (£0.25m); Doncaster Metropolitan BC (£1m); Borough of South Tyneside (£0.5m); Cyngor Dosbarth Dwyfor (£0.25m); City of Leeds (£1m); Rother DC (£0.75m); Metropolitan Borough of Wirral (£1m).

Langbaurgh DC is raising £0.5m by way of 14¾ per cent three-year bonds at par due June 8, 1983.

SPAIN

June 10	Price %	+ or −
Banco Bilbao	212	+2
Banco Central	242	+4
Banco Exterior	210	
Banco Hispano	214	+5
Banco Ind. Cat.	122	
Banco Madrid	141	
Banco Santander	260	+3
Banco Urquijo	160	
Banco Vizcaya	223	+5
Banco Zaragoza	200	
Dragados	90	
Espanola Zinc	61	
Fecsa	63.5	+0.3
Gal. Preciados	28.7	−0.8
Hidrola	67.2	+0.2
Iberduero	64.5	
Petroleos	107.5	
Petroliber	64	
Sogefisa	107	
Telefonica	56	
Union Elect.	64	−0.5

J. Spear margins suffer but dividend is boosted

THERE was a slight increase in sales at J. W. Spear and Sons in 1979, from £6.89m to £7.2m, but taxable profits finished the year behind at £1.63m, compared with £1.82m.

At the interim stage profits had slipped from £708,234 to £704,683.

The dividend, however, is boosted to 6p (2.1095p) net per 25p share with a final of 3p, as forecast.

The directors of this toy and games manufacturer say that at home margins were hard to maintain, and export margins suffered severely from strong sterling.

Orders were slow coming in during the year, and the order book is currently about equal in value to the same time last year. An improvement is expected later in 1980, directors say, and so total sales should show an increase in value, although a drop in volume is likely.

And they warn that despite every effort to contain costs, there is likely to be a fall in profits.

After tax of £606,000 (£775,000) net profit is little changed at £1.02m against £1.05m, giving earnings per share of 24.38p (25.1p).

● comment

Compared with some of its toy sector fellows, J. W. Spear has been a relatively strong performer. Its conservative outlook has preserved it from expensive forays into vulnerable products and markets. The balance sheet has in the past shown a substantial cash surplus, though this is a seasonal feature and the company is currently running an overdraft. But with the board signposting a profits decline for the third successive year, the time has arguably come to walk a little more on the wild side. Margins on the current sales mix, three-quarters in Scrabble and educational games, are clearly under pressure. Electronic games would seem to be here to stay, and Spear might well benefit from entering the market as a licensee if it fears over-committing resources to product development. The yield of 6.6 per cent does not look to offer much support to a fully-taxed multiple of 6.7 at 133p, down 1p.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aero Needle	Nil	—	0.84	1.6	1.58
Allied Breweries	3	Aug. 4	1.83	5	4.39‡
Archimedes Inv. Tst. int.	3¶	Aug. 11	2	—‖	6.1
Doornfontein GM	100§	Aug. 5	40	120	60
East Driefontein int.	120§	Aug. 5	55	—	175
Edbro	6.76	—	6.76	9.03	9.03
Elson and Robbins †int.	1.51	July 23	1.51	—	5
Fairline Boats int.	1.7	July 8	—	—	3.5
Grand Metropolitan int.	2.88	Oct. 6	2.5	—	5.75
Gt. Portland Ests.	4	Sept. 3	2.67*	5	3.33*
Highgate Optical	1.8	—	1.8	1.8	1.8
Intl. Timber Cpn.	5.6	—	5.09	8.9	8.09
Kloof GM	240§	Aug. 5	80	320	110
Libanon GM	150§	Aug. 5	100	200	150
Ocean Wilsons	3.5	—	2.5	4.5	3.5
J. W. Spear	3	—	1.39	6	2.11
Sumrie Clothes	1.5	—	2.5	1.5	2.5
Venterspost GM	135§	Aug. 5	30	200	45
West Driefontein GM	850§	Aug. 5	415	1,150	615

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Annualised from 75 weeks. § Gross South African cents throughout. ¶ To reduce disparity. ‖ Final of not less than 3.4p forecast.

Redundancies hit Sumrie profit

AFTER CHARGING redundancy costs arising after the year-end of £219,000, pre-tax profits of Sumrie Clothese showed a sharp decline from £384,000 to £23,000 for the year to March 29, 1980. Turnover of this clothing manufacturer slipped from £5.09m to £4.87m.

Earnings per 20p share are shown as 1.79p (6.77p) after redundancy costs and as 5.99p before. The dividend for the year is being cut from 2.5p to 1.5p net.

When reporting first-half taxable profits up from £72,000 to £99,000, the directors said that although retail trade sales during the second six months were lower than last time, they were optimistic that the company's modernisation policy and the quality of its merchandise would lead to a satisfactory year-end result.

Difficult conditions were forecast for late 1979 and 1980 and these conditions of depressed trading, increasing inflation and record interest rates, have had effects and these could continue for the whole of the current year, the directors state.

The company is meeting present conditions by reducing its workforce through voluntary redundancies, which have occurred since the end of March.

Following these redundancies, plans are being implemented to operate in a reduced plant area and it is expected that these actions will achieve significant cuts in major overheads.

Nationally, trade on the retail front continues to be sluggish and the company is still therefore having reduced orders from customers. But, with the steps taken, the directors say the company is in a position to take advantage of any upturn in trade.

Interest charges for the year rose from £17,000 to £47,000. There was a tax credit of £22,000 (£215,000 charge) and retained profits emerged at £7,000, compared with £106,000.

LONDON INV.

London Investment Trust announces that **Vale Securities** and **Darmas** have each disposed of 400,000 LIT shares. The total amount of shares represents some 3 ½per cent of the LIT capital.

STC sees significant improvement

THE CURRENT year would bring a significant improvement in results for Standard Telephones and Cables, and the longer term future offered equally sound prospects, Sir Kenneth Corfield, chairman and chief executive, told shareholders at the group's annual meeting.

The order book was very strong he added, and the board looked forward confidently to meeting all difficulties.

Last year, pre-tax profits of the telecommunications and electronics manufacturer rose from £26.9m to £33.4m on sales of £436.9m against £373.6m.

MINING NEWS

Gold Fields' dividends are disappointing

BY KENNETH MARSTON, MINING EDITOR

THE LATEST batch of half-yearly dividends from the South African gold producers, this time the mines in the Consolidated Gold Fields group, may cause some frowns in the sharemarket today. Apart from Kloof, the mines have declared lower than expected dividends although the payments are still well above those of a year ago.

Particularly disappointing is the 135 cents (74p) final declared by Venterspost which compares with market estimates ranging up to 200 cents. Even so, it brings the total for the year to June 30 to 200 cents from only 45 cents for the previous 12 months, putting the shares on a yield of 15.5 per cent.

The major mine, West Driefontein, comes about mid-way in market estimates with a final of 850 cents (467p) to make a total for the financial year of 1,150 cents against 615 cents. Doornfontein's final of 100 cents (55p) goes against some anticipations of 180 cents and makes a total of 120 cents against 60 cents.

Libanon's final of 150 cents (83p) comes at the lowest end of estimates which have ranged up to 300 cents. It makes a year's total of 200 cents against 150 cents last time.

On the other hand, Kloof matches most expectations with a final of 240 cents (131p) to make a total of 320 cents against 110 cents.

The odd man out, in that its latest payment is an interim, is East Driefontein which is declaring a below expected 120 cents (66p). Last year an interim of 55 cents was followed by a final of 120 cents.

Is Conzinc Riotino of Australia preparing to embark on a major new iron ore mining development in Western Australia's Pilbara? Melbourne reports suggest that a A$500m (£245m) project involving the construction of a new rail and port complex could be on the cards with Japanese steel mill customers playing a part in the financing.

No dividend is being declared by Vlakfontein which, as already announced, is making instead a capital repayment of 10 cents (5.5p) to holders registered on June 27. The latest payments are compared in the following table.

	June, 1980 cents	Dec., 1979 cents	June, 1979 cents	Dec., 1978 cents
Doornfontein	100	*20	40	*20
East Drie.	*120	120	*55	73
Kloof	240	*80	80	*30
Libanon	150	*50	100	*50
Venterspost	135	*65	30	*15
Vlakfontein	Nil	20	Nil	18
W. Driefntn.	850	*300	415	*200

*Interim

RECOVERY AT WESTRALIAN

The recovery in the fortunes of Westralian Sands, which returned to profit in the eighteen month period to December 1978, continued into 1979. The Australian beach minerals producer made a net profit of A$ 914,317 (£450,000), after A$ 577,941 in 1978 and a loss of A$ 890,537) for 1977.

The company said that there was some improvement during the year in the prices received for its products, particularly Hyti 91 and zircon, and this firmer trend has continued this year.

Despite a marginal increase in prices for ilmenite, the contribution to profitability remains unsatisfactory, but ilmenite has to be produced because it is the largest mineral component of the ore mined.

Guyana contract

A CONTRACT worth just over £10m has been signed between Guyana and America's Green Construction for primary stripping of overburden from bauxite for the state-owned Guymine, reports our Georgetown correspondent.

Work is due to begin in early August and the contract is expected to pave the way for an upturn in bauxite production in Guyana.

The industry there expects to earn over £100m from bauxite sales this year. Production targets are: 800,000 tons calcined bauxite, 300,000 tons alumina and 475,000 tons metal grade bauxite.

Guymine's latest contract, which lasts for 18 months, will cover the removal of some 10m cubic yards of overburden, allowing the company to catch up on its stripping operations which have fallen behind for a number of reasons including a shortage of skilled men and labour unrest.

Tara stiffens opposition

CANADA'S Tara Mines, which operates the big Irish lead-zinc mine at Navan in County Meath, is preparing to oppose yet again the plans for Bula Mines to mount an open-pit operation on adjacent land.

A public inquiry, dealing with Bula's appeal against an earlier rejection of its open-pit plans, is to start next month. The properties of Tara and Bula are separated by the Blackwater River.

Tara, the biggest lead-zinc mine in Europe, will argue that Bula should be told to stage an underground operation, like Tara itself. It will contend that Bula's present plans are environmentally dangerous and that its projected tailings pond, if it bursts, would endanger the lives of those at Tara and could harm Tara's £100m investment.

This will be the latest stage in a long-running argument between the two companies in which the Irish Government has been caught in the middle. It has a 49 per cent stake in Bula, 24 per cent of which it bought, reportedly without regard to the future grant of planning permission, and a 25 per cent interest in Tara.

The balance of the shareholdings in the Tara mine is held by international companies, while the majority stake in Bula is held by the Roche Wood and Wymes family interests.

Tara's financial fortunes have been chequered since its first full year of operation in 1978 and in this year's first quarter it had net earnings of C$220,000 (£81,350) compared with C$349,000, according to a Toronto announcement.

ROUND-UP

As part of the recently announced corporate reshuffle of the group of companies associated with Mr. Alan Bond, the Western Australian businessman, Bond Corporation has lifted its stake in Endeavour Resources from 24.6 per cent to 42.3 per cent. The Bond group holding company has also sold its interest in Bond Mining and Exploration to Narla Prospecting, a wholly-owned subsidiary of Endeavour.

* * *

The American Sundance Gold Mining and Exploration has paid Coronado Capital of Panama $6.83m (£3m) for a 30 per cent stake in a mining concession in the Sara Creek region of Surinam. Sundance has also contributed $115,200 in working capital to the joint venture, in which the remaining 70 per cent is held by Coronado and Paramaribo Mining of Surinam.

* * *

Sunshine Mining of the U.S. is to spend some $18m (£7.7m) to develop its silver mine near Silver Peak in Nevada. Production is expected to start late in 1982, and Sunshine said that current ore reserves are sufficient for about eight years at a rate of 1m oz. per year.

* * *

The San Manuel mine in Arizona, owned by Magna Copper, restarted production yesterday after being closed since May 23 as a result of a fire. Magna is a wholly-owned subsidiary of Newmont Mining, and the San Manuel Mine is Magna's largest with a daily ore capacity of 65,000 tons.

* * *

Abitibi-Price discloses further mineralisation near and underneath the previously known limits of the Maclean orebody near Buchans in Newfoundland. Grades of up to 13.8 per cent combined lead-zinc have been found, with quantities of silver. But the mineralisation is at the extremity of existing mine development and proving up will be a slow process, the company said.

* * *

Sales of Krugerrand gold coins for the month of May totalled 231,484 coins, down from 259,939 in April and well below the 542,281 level of May 1979. Last month's total was, however, substantially higher than the monthly average for the year to date.

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
AKZ C	F.22.50	1	1.60	10	3.20	1	3.30	F.23.90
AKZ C	F.25	119	0.60	33	1.50	13	2	"
AKZ C	F.27.50	—	—	4	0.70	—	—	"
AKZ P	F.22.50	—	—	41	0.50	—	—	"
AKZ P	F.25	—	—	10	1.60	—	—	"
ARB C	F.60	12	4.70	—	—	—	—	F.64.30
ARB C	F.65	—	—	11	2.20	—	—	"
EK C	$50	1	5⅛	—	—	—	—	$54¾
FNC C	$25	—	—	2	¾	—	—	$22⅛
HEI C	F.65	—	—	—	—	5	3.50	F.59.70
HEN C	F.60	3	2.50	3	5	—	—	"
IBM C	$60	—	—	5	2⅝	—	—	$56⅝
KLM C	F.70	63	2.30	10	4.50	—	—	F.66.20
KLM C	F.80	21	0.60	3	1.60	—	—	"
KLM C	F.90	1	0.10	—	—	—	—	"
KLM P	F.60	5	1.20	—	—	—	—	"
KLM P	F.70	1	5.50	—	—	—	—	"
KLM P	F.80	3	14.10	—	—	—	—	"
NAT C	F.100	1	11.50	—	—	—	—	F.111
NAT C	F.104.50	7	7	1	8.60	—	—	"
NAT C	F.109.10	4	3.90	55	5	—	—	"
NN C	F.110	—	—	2	5.50	—	—	"
NN C	F.120	—	—	—	—	2	3.60	"
NN P	F.110	7	2	—	—	—	—	"
PET C	Fr.5000	1	400	—	—	—	—	Fr.5270
PET C	Fr.6000	3	20	—	—	—	—	"
PHI C	F.17.50	—	—	19	1.50	—	—	F.18.80
PHI C	F.20	10	0.20	—	—	20	0.90	"
PHI C	F.22.50	4	0.10	—	—	—	—	"
RD C	F.150	2	16.50	83	17.50	—	—	F.166.60
RD C	F.160	370	8.50	29	10.60	—	—	"
RD C	F.170	946	2.80	239	5	10	6.70	"
RD P	F.145	29	0.20	18	1.50	—	—	"
RD P	F.150	72	0.40	23	2.60	10	3.90	"
RD P	F.160	470	1.80	4	5.40	2	8.50	"
RD P	F.170	57	5.80	—	—	—	—	"
UNI P	F.110	—	—	2	2	4	8	F.113
UNI P	F.115	10	3.30	—	—	—	—	"
		Aug.		Nov.		Feb.		
SLB C	$100	6	18⅛	8	—	—	—	$117
SLB C	$110	8	10¼	—	—	—	—	"
SLB C	$120	5	3½	25	7⅛	—	—	"

TOTAL VOLUME IN CONTRACTS 2924

C=Call P=Put

BIDS AND DEALS

OCL partners buy out Furness stake for £27m

THE PARTNERS in Overseas Containers Ltd. (OCL), Britain's biggest container shipping group, are paying £27m for Furness Withy's 15.81 per cent stake.

Earlier this year the Hong Kong based C. Y. Tung group took over Furness Withy for £113m and under the terms of the shareholders' agreement the other OCL shareholders—P & O, Ocean Transport and Trading and British and Commonwealth—had first refusal on the Furness stake in OCL.

Speaking for OCL and its shareholders, OCL's chairman, Sir Ronald Swayne, said yesterday that the Tung takeover of Furness Withy had created a conflict of interest.

The Tung group's Orient Overseas Container Line (OOCL) competes with OCL in the trade between the Far East and Europe. In addition, OOCL's other container ship operations could compete with OCL in other trades in future.

Sir Ronald said the possibility of close collaboration between OCL and OOCL in existing and future trades has been given careful consideration since it could bring considerable advantage to both companies.

However, he added that it had not been found possible to establish the complete identity of interest between OCL and OOCL which existed between OCL and all its sharehlders before Furness Withy became part of the C. Y. Tung group.

Nevertheless, Sir Ronald did not rule out future co-operation at some stage and said that "perhaps joint operations may be developed in individual trades to their mutual advantage."

After the share reshuffle P & O's stake will increase from 30.9 per cent to 36.7 per cent. Ocean Transport's stake will rise from 34.09 per cent to 40.49 per cent and British and Commonwealth's stake will rise from 19.20 per cent to 22.81 per cent.

In December 1980 P & O's Gulf trade will be transferred to OCL and this will lead to a further share reshuffle. Assuming this takes place on the same basis as was disclosed in the OCL annual report, P & O will emerge as the major shareholder in OCL with 45.4 per cent, Ocean Transport will have 35 per cent and British and Commonwealth 19.6 per cent.

OCL was established in August 1965 by four leading British shipping companies to containerise their existing trades. Each partner started with a 25 per cent stake but the shareholdings have altered over time, reflecting the importance of individual partners' trades when containerised.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Hanson Trust, Nottingham Brick, United States and General Trust.

Finals: British Cinematograph Theatres, Churchbury Estates, Continuous Stationery, Electra Investment Trust, Geevor Tin Mines, Metal Box, Rowlinson Construction, 600 Group, Tern-Consulate.

FUTURE DATES

Interims—

Muirhead	June 22
Record Ridgway	June 20

Finals—

Austin (E.) (London)	June 23
British and Commonwealth Shipping	June 12
Brown and Tawse	June 23
Caledonia Investments	June 12
GEI International	June 17
Triplex Foundries	June 18
Wassall (J. W.)	June 18

SHARE STAKES

Mercantile House Holdings—Edinburgh Investment Trust acquired 325,000 ordinary shares (5.53 per cent).

Costain Group—Mr. J. P. Sowden, director, has disposed of 10,000 ordinary shares.

United Engineering Industries—Mr. V. A. Waddilove acquired 11,000 ordinary shares. Mrs. P. J. A. Moulds, wife of Mr. D. Moulds, wife of Mr. D. Moulds. wife of Mr. D. Moulds, disposed of 15,000 ordinary shares.

Thomas Walker—Mrs. Shirley Walker, wife of Mr. T. W. F. Walker, has acquired an additional 50,000 shares.

Town Centre Securities—Mr. I. A. Ziff, director, disposed of 25,000 shares.

Associated Dairies Group—Mr. F. R. Baines, director, acquired 53,095 shares under the companies share option scheme.

Hall Steamship stops dealings

Hall Brothers Steamship Company, a cash shell controlled by Mr. Alan Ferguson's Guernsey based Temple Investment and Finance Company, has requested a halt to dealings in its shares on the unlisted securities market.

Hall, which had its full quotation cancelled following its disengagement from shipowning during 1979 said yesterday that an announcement was pending and in the meantime had requested the Stock Exchange not to permit specific bargains to take place under the provisions of Rule 163 (2).

Mr. Ferguson's offer for the lossmaking Hall Brothers, which had considered liquidation before the offer, was 70p per share. This compares with 202p at which they were dealt in yesterday.

At the time of the bid Mr. Ferguson said that Hall would invest in shares of quoted and unquoted mining companies. And as his first move purchased 200,000 Rand London Corporation shares at 69p each.

Just over 18 months ago Mr. Ferguson sold a package of coal mining interests to Mining Investments in exchange for shares in the company. Mining Investments was subsequently taken over by Burnett and Hallamshire and Mr. Ferguson ended up with 15 per cent of Burnett as a result.

In January Mr. Ferguson resigned from the board of Burnett and at the same time reduced his holding to 11.9 per cent by the placing of 134,285 shares. This left his holding at 1m which was said to be a long term investment.

On Monday it was announced that Mr. Ferguson had sold this remaining stake. Burnett stood at 620p yesterday.

Wiggins Teape tissue sale

SMITH AND NEPHEW, the medical and sanitary products group, is to acquire Wiggins Teape's 50 per cent interest in Associated Tissues for £3.09m.

The consideration is to be satisfied by the issue of 4.67m new ordinary shares to Wiggins Teape. Wiggins has arranged to have the shares disposed of by means of a vendor placing.

The deal will give Smith and Nephew a 100 per cent holding in Associated Tissues and consequently a 50 per cent interest in British Tissues, the remaining 50 per cent being held by Oy Nokio AB of Finland.

Total net assets of British Tissues at December 1979 were £15.5m, with profits of £2.3m and no tax liability.

The purchase is in line with Smith and Nephew's policy of extending its interests in UK consumer hygiene products.

As far as Wiggins Teape is concerned the sale will help to concentrate its financial and management resources behind its current heavy investment programme in speciality papers in the UK.

HOUSE OF FRASER

Recent share deals in House of Fraser, the department store group which owns Harrods and is resisting Lonrho's attempts to force its final dividend up by 50 per cent, show that the non-beneficial interest of Sir Hugh Fraser, chairman, has been increased by 100,000 shares.

Following other recent transactions, the trustee interest of Mr. G. Wikkoughby is 1.18m shares.

WARING/MAPLE

Reflecting acceptances and purchases through the market Waring and Gillow has over 80 per cent of the ordinary and over 86 per cent of the preference capital of Maple and Co. (Holdings). These are represented by 22.35m ordinary shares and 223,000 preference.

FERRANTI/MITCHELL

Ferranti has acquired the business and assets of Mitchell Hydraulics, a company employing 127 with premises in Woking and Bournemouth.

Mitchell is a specialist manufacturer of high-precision hydraulic components for systems with applications in naval, aerospace, power transmission and similar exacting environments, and is a significant subcontractor to the Naval Department of Ferranti Instrumentation.

IRELAND DISPOSES OF TITAGHUR INTERESTS

H. B. Ireland and Co., a London-based importer of Indian goods, has sold its entire holding of 83,500 ordinary shares in the Titaghur Jute Factory Company. This represented an interest of 5.85 per cent.

EWER/COWIE

Laurence Prust and Co., as brokers to George Ewer and Co., one June 9, sold 2,400 Ewer ordinary shares at 52½p on behalf of a discretionary client, and on the same date they purchased 50,000 ordinary at 52½p and 75,000 ordinary at 53p on behalf of an associate of Ewer.

T. Cowie, chairman, has acquired 38,000 T. Cowie ordinary and T. A. Cowie, director, has acquired 15,000 ordinary.

NIMSLO

Further to the share acquisition by Nimslo European Holdings announced yesterday, Baring Brothers states that a resolution has been passed by Nimslo Limited shareholders to sanction the cancellation of the company's 14 per cent unsecured loan stock 1983-88, in exchange for the issue by Nimslo European of an equivalent amount of 14 per cent unsecured loan stock 1983-88.

CHARTERHOUSE

The number of Charterhouse shares purchased by Grieveson, Grant and Co. on behalf of Charterhouse Japhet (account/client) should have read 1,200, and not 1.28m as published in yesterday's edition.

Elson & Robbins up so far

On turnover up from £9.55m to £12.27m pre-tax profits of Elson and Robbins, manufacturer of Duflex springs and spring assemblies, moved ahead to £1.12m for the half year ended March 31, 1980, compared with £949,866.

The directors state that the company will not be immune from the general economic climate, but they feel the full year should be satisfactory.

Profit for the whole of the 1978-79 year was a record £2.33m.

During the period subsidiary, Thos. K. Webster (UK) incurred a loss of £112,246. Market conditions are still very difficult, the directors say, and they do not expect any recovery from this company in the second half.

On capital increased by last year's one-for-two rights, group earnings per 25p share are shown as 6.68p (7.31p on old capital), and the interim dividend is unchanged at 1.509p net—last year's final payment was 3.491p.

Net profit for the six months came out at £672,977 against £491,355, after tax of £450,898 (£458,511).

Increased losses for S. Sherman

On sales down from £1.3m to £855,036 Samuel Sherman, ladies' garments maker, has incurred a slightly higher pre-tax loss for 1979 of £99,401, compared with £94,613.

Sales in the last four months failed disastrously, the directors state, leading to an inadequate recover of overheads, and an excessive level of stocks.

Overheads have been further reduced and action is in hand, they say, to improve and diversify the trading position.

Loss per 10p share is given as 2.48p against 2.34p, and again there is no dividend—last payment was 0.635p net for 1974.

There is no tax figure for the year (£1,170 credit), and last time, there was an extraordinary credit of £51,930.

S. Rhodesia bond talks

The estimated 15,000 UK holders of Southern Rhodesia bonds who have not received any interest or capital repayments since UDI in 1965, are expected later this week to hear news of the prgoress of negotiations taking place in London.

The Zimbabwe Government has already indicated its intention of settling the debts and talks aimed at agreeing compensation terms are being held at the moment between its representatives and the Council of Foreign Bondholders.

Parallel talks are being held between the Zimbabweans and the Treasury over the repayment of about £50m of official Government debt.

Grand Met up £10.5m midway

ALTHOUGH HINDERED by the effects of national economic problems and the strong pound, sales of Grand Metropolitan climbed from £992.9m to £1.15bn for the six months to March 31, 1980, and profits before tax rose by £10.5m to £61.2m.

Mr. Maxwell Joseph, the chairman, says consumer demand in the main trading areas of the UK has been held back by inflation, higher indirect taxes and other national economic problems, while the strength of sterling adversely affected exports and tourism and reduced the sterling equivalent of overseas profits.

However, he remains confident that with hard work, the company's natural advantages will enable it to continue progress.

For the year ended September 30, 1979, pre-tax profits were a record £136m (£115.94m).

Referring to the acquisition of Liggett Group, Mr. Joseph says this will substantially increase growth potential and provide a better spread of risks and opportunities.

It is intended to consolidate the Liggett results with the rest of the group from June 1, although the chairman does not anticipate any major profits increase in the current year from this acquisition.

Group half-yearly sales and trading profits—up from £70.7m to £82.1m—were split respectively between: Hotels, entertainment, catering and managed public houses £288.8m (£252.6m) and £18.8m (£18.1m); milk and food £243.6m (£213.4m) and £13.6m (£11.9m); brewing and distribution, including soft drinks £231.5m (£207.1m) and £18.7m (£17.1m); wines and spirits £255.9m (£217.8m) and £22.6m (£18.5m); and betting and gambling £134.1m (£102m) and £8.4m (£5.1m).

Associates' contributions were ahead at £2.4m (£2.1m), but interest charges rose from £22.1m to £23.3m mainly due to higher interest rates and increased borrowings for investment, including the acquisition of 9.5 per cent of the Liggett Group common stock. These factors more than offset the interest savings resulting from last June's rights issue.

The net interim dividend is stepped up from 2.5p to 2.875p per 50p share—the total last time was 5.75p.

Tax charge for the six months increased from £13.7m to £18.4m, while minorities took £1.4m (£0.8m). It is estimated that extraordinary items for the period will give rise to a net credit of £1.8m.

Lex, back Page

Hunslett (Hldgs) debenture redemption

Hunslet (Holdings) is to invite holders of the 6½ per cent debenture stock 1978-83 to tender for sale to the company for redemption at a price of £95 per cent including interest.

Tenders must be in not later than 3pm on July 11.

Carless £9.5m call for exploration and refining

BY ALAN FRIEDMAN

A £9.5m cash call is being made by Carless, Capel and Leonard, the oil exploration and refinery group which struck oil 150 feet from the A32 in Hampshire.

Mr. John Leonard, the chairman, explained yesterday: "We are making this rights issue in order to position ourselves for the dual development of our manufacturing business and oil and gas exploration interests."

The issue, which is for 9,869,984 ordinary shares of 10p each at 100p per share, is on a one-for-four basis and underwritten. It follows just a few weeks after the company announced more than doubled pre-tax profits of £6.26m for the year to March 31.

It also comes a little over a week after the release of testing details from the "Humbly Grove" onshore oil find near Basingstoke—a producing oil reservoir of between 50 and 100 barrels per day was said to have been found.

The £9.5m rights money is to be divided roughly in half between exploration and refining operations. Mr. Leonard said: "We think this is the right amount of money to ask for. Our company has two sides: the profitable side and the expenditure one."

Carless will spend about £2m to build a new petrochemical processing plant for Carless Solvents, enabling the company to use a wider range of feedstocks and increasing sources of supply. An additional £1m will probably go for the enlargement of productive capacity at the group's Harwich and Middlesbrough refineries.

Part of the initial sum will also help with the purchase of a bulk container ship costing £3.8m, although much of the funds for this vessel will be financed from internal cash resources at first. This acquisition will probably allow for the recovery of some £1.7m tax for last year.

Mr. Leonard said the company's interests in three consortia bidding in the seventh round of North Sea licence allocations would cost around £2.5m of the rights issue money. Carless has a 10 per cent stake in the group led by Gulf Oil and holdings of 9 and 12.5 per cent in two BNOC-led consortia. Some of this money will help to satisfy the premium payment for a seventh-round bonus block.

In the wake of the Humbly Grove find, Carless plans to install a production unit shortly and rights issue money will also help here. "I hope that, subject to testing, we will be in production by the end of the summer," said Mr. Leonard.

He also noted plans to drill an exploratory well in Wiltshire in the autumn as well as plans to develop further gas and oil properties in North America. "We have proven reserves in the States. You can't go wrong putting money into those," he said.

Carless predicts in the rights offer document that its current year total net dividend will be at least maintained at 2.5p. Unsecured loans as of late May 1980, amounted to around £3m and bank balances (mostly foreign) totalled £1m.

The company has also announced that it is moving its headquarters into the City and is purchasing new premises for £1m. The expenses incidental to the rights issue come to £335,000. Brokers to the issue are Laurence Prust and Co.

In the Carless annual report the chairman states that, under current cost accounting, pre-tax earnings still rise by 79 per cent but the post-tax profit was lower than the year before.

Shareholders at the company's annual meeting (July 9) will be asked to approve a resolution increasing authorised capital by 10m shares to 65m shares to provide the company with an adequate balance of unissued shares following the rights issue.

Finally, the chairman's statement identifies last year's oil stock profits as having been £2.1m.

● comment

Carless Capel is taking advantage of its recent good fortune with a largish cash call. The rights issue does not seem unreasonable in view of the company's solid history and healthy prospects. It is encouraging to see that at least half of the money is to be used for the important refinery business—this remains the core of Carless. The company has a tradition of investing in its main business in recessionary times and this has paid off in the past. As for oil and gas exploration, the three Seventh Round groups Carless is involved in are as well placed as any and further onshore investment seems like a justifiable risk. At 131p, down 5p yesterday, the ex-rights yield on a maintained dividend would be an unstartling 2.9 per cent. he historic p/e is 16.4, a high rating, but obviously reflective on new oil prospects.

PILKINGTON TO SELL MICROFILM COMPANY

Pilkington Brothers is to sell Caps Microfilm to Frankel Microfilm Holdings, the holding company for the Imtec Group. Completion is expected in July and the consideration represents less than 1 per cent of Pilkington's assets.

Intnl. Timber at £8.74m despite second half fall

DESPITE declining from £4.43m to £3.83m in the second half, pre-tax profits of International Timber Corporation advanced from £8.05m to £8.74m in the full year to March 29, 1980. This figure was struck after interest considerably higher at £4.3m against £2.84m, and included a reduced surplus on property sales of £363,000 compared with £1.35m.

Commenting on the figures, Mr. R. E. Groves, the chairman, says the final quarter was responsible for a lower contribution in the second half. Sales were up nearly £50m to £216.46m, and trading profit improved some £3m to £12.67m (£9.53m). If, for comparison purposes, Bamberger's first half pre-acquisition trading is incorporated into the previous year, improvements are £27m and £2m respectively, he adds.

After tax lower at £1.64m (£2.61m) and extraordinary items £182,000 (nil), stated earnings per 25p share are down from 27.1p to 26p, but the final dividend is raised from 5.0865p to 5.6p, making 8.9p (8.0865p).

Comparisons have been re-stated to take account of the rights issue in July, 1979 and SSAP 15

The rights issue raised £6.3m. In addition to the receipt of £0.6m from the sale of the Belize subsidiary, a further £1m was received from the sales of surplus freehold sites. Further disposals this year are expected to produce at least a like amount.

Total borrowings as a proportion of shareholders' equity has been reduced to 35 per cent compared with 55 per cent last year.

During April the decision of the construction industry in view of their lower workload to extend the Easter holiday to a complete week, helped to continue the slow-down into the first two months of this year. The company's sales in the UK for this period were no more than in 1979 despite prices for most materials having risen.

He says the outlook for the construction industry has become progressively less encouraging in recent months and this trend will continue into the year ahead.

The year ahead is bound to have difficulties, which the company cannot avoid, as the Government's stringent economic restraints to overcome the serious situation they have inherited begin to bite. If their objectives are achieved, the shorter term difficulties will be very worthwhile, the chairman concludes.

A breakdown of the company's sales and trading profits shows (in £000s): £193,228 (£142,919) and £11,435 (£8,068); overseas £23,229 (£24,477) and £1,233 (£1,465).

Shareholders' funds amounted to £62.15m against £51.33m, and £4.35m (£3.57m) was transferred to reserves.

● comment

After a despondent end to its last financial year, International Timber is continuing to batten down the hatches in the expectation of a gloomy couple of years ahead. March, the final month of its 1979-80 trading period, did not show the usual post-winter improvement, despite the mild weather, and the market reacted to the overall pre-tax profits improvement for the year with a 2p markdown in the shares to 112p where the yield is 11.9 per cent and the p/e on stated earnings is 4.1. The sharp rise in interest charges, reflecting the higher cost of borrowing and increased timber prices, knocked back a good deal of the improvement at the trading level, with the benefit of the rights issue not showing through until well into the year. The group is hoping for an easing in rates this year, while redundancy and reorganisation costs should be less than a third of last year's £700,000. Having disposed of its Belsize operation and a number of surplus UK timber sites—with more to be unloaded in the next year or two—the group is trimming itself to meet the UK recession. Halft of its capital spending last year went on the more retail orientated Jewson operation, where a good deal of this year's outlays will also be concentrated.

Fairline Boats at £0.26m

THE IMPACT of rapid and considerable increases in costs during the six months to March 31, 1980, meant that taxable profits of Fairline Boats slipped from £283,000 to £264,000 in the period.

The high level of interest enabled the company to earn more on cash balances but it has affected the rate of forward order intake, the directors say.

They feel it would be imprudent to forecast the full-year outcome in view of the current depression in the UK boatbuilding industry. Pre-tax profits totalled £771,155 for 1978-79.

Competition will become more intense as competing manufactures, which, unlike Fairline, hold heavy stocks of completed boats, reduce prices and try to convert stocks into cash before the autumn, they add. The company is doing all it can to maintain reasonable markets.

Turnover of the company, which came to the market last July, improved from £2.27m to £2.53m in the half-year. Exports accounted for just under half the production, the directors say, but the strong pound is preventing the company from exploiting this market to the full.

There is an interim dividend of 1.7p net—last year's single payment amounted to 3.5p. Half-year earnings per 10p share are shown down from 4.9p to 3.6p after tax of £137,000 (£112,000).

Edbro falls £1.78m as interest and closure costs take toll

A SHARP fall from £1.43m to £779,000 in the second half, following the £1.13m downturn midway, left taxable profits of Edbro (Holdings) substantially lower for the year to March 31, 1980, at £1.24m, against £3.02m.

However, the net total dividend of this tipper gear manufacturer is being maintained at 9.03p, with an unchanged final of 6.76p.

The half-time dive to £464,000 (£1.59m) reflected the effects of the engineering strike and overtime ban. But the directors said in December that the group had returned to full production and demand continued to be strong. They added that second-half profits should be back to normal.

The full-year taxable surplus was struck after considerably higher interest charges of £1.22m (£597,000), but included interest received down from £113,000 to £70,000 and share of associates' profits of £50,000 (£71,000).

Mr. Larry Tindale, chairman, said yesterday that most of the re-organisation in European operations had been completed, and costs included in the figures.

Closure costs in European operations wiped around £500,000 from the profits total, while the group estimated a further £500,000 was lost in the UK as a result of the engineering strike.

Operations in the UK are to be consolidated, and the group plans to sell two of its sites in Bolton, and another in Manchester. Some £4m is expected to be raised from the sales—a £1.5m surplus over book value. But Mr. Tindale admitted finding a buyer, particularly for the Bolton sites, might prove difficult.

Some £1.4m—net of Government grants—is to be spent on construction of a new warehouse adjoining the group's main factory.

Commenting on the current year, the group said capacity is now some 25 per cent higher and orders are holding up. For the full year, profits at the trading level should show an improvement.

Turnover improved from £32.87m to £35.47m.

Stated earnings per 25p share were down from 23.6p to 17.2p after a tax credit of £240,000, against a £1.05m charge.

● comment

Edbro has been forced into what it describes as a highly defensive strategy of cash conservation. The reasons will be familiar enough to those in manufacturing, export-orientated, industry but the result has been a severe decline in profits, a £2.5m rise in net debt and little or no CCA cover for a maintained dividend. Edbro's response has been to retrench around its Bolton base, putting properties with a book value of some £2.5m up for sale at a premium of about £1.5m and to relinquish direct control of the Continental distribution network, leaving a 20 per cent minority interest. Closure costs of £500,000 in Holland have been charged above the line in the second half and, to some extent, help explain the disappointing lack of forecast recovery in this period. The profitable sale of a largish portfolio of industrial property may take some doing but at least the European withdrawal has released some £1.5m of stock to alleviate the underlying strain on working capital. Capacity has risen by a quarter in the last 12 months but at least Edbro is confident that it can sell its production in the first half, even if the order book has shortened noticeably. The shares have taken all this quite calmly, entrenched near the annual low of 100p for the past month or so. Certainly the historic yield of 13.5 per cent at 102p is cautious, and rightly so, but by no means alarmist.

Today's company meetings

Black and Edgington, 116 Pall Mall, SW, 12. Dreamland, Great Eastern Hotel, Liverpool Street, EC, 12. Empire Stores, Norfolk Gardens Hotel, Bradford, 12. Hunting Petroleum Services, 118 Park Lane, W, 12.30. Jessel Townbe, 30 Cornhill, EC, 3.30. John Lewis Partnership, 4 Old Cavendish Street, W, 12.30. News International, Plaisteres' Hall, 1 London Wall. John Lewis Properties, 4 Old Cavendish Street, W, 11. Richardsons, Westgarth, St. Ermins Hotel, Caxton Street, SW, 12. Smith St. Aubyn, White Lion Court, Cornhill, EC, 12. A. G. Stanley, Stanley House, Cray Avenue, Orpington, Kent, 4. George Wills, Epworth House, 23 City Road, EC, 11.15.

RESULTS AND ACCOUNTS IN BRIEF

BELGRAVE (BLACKHEATH) (forging and machining)—Results for year ended January 31, 1980, already reported. Shareholders' funds £2.98m (£2.76m); bank overdraft £502,375 (£744,864). Chairman says company is in good shape to remain competitive and profitable. Meeting, Birmingham, July 1, noon.

BURRELL AND CO. (chemical pigment manufacturer)—Results for 1979, and prospects, reported May 10. Bank and cash balances £45,119 (£114,358). Bank overdraft £2.88m (£2.08m). Shareholders' funds £4.82m (£4.16m). Triennial property revaluation as at year-end revealed surplus of £1.17m. Meeting, 44 Broadway, Stratford, E, June 30, 3 pm.

CONSTRUCTION HOLDINGS (investment trust)—Interim dividend 5.6p (9.5p for 15 months). Pre-tax profit £91,008 for six months to March 31, 1980. Tax £29,090. Earnings per share 6.5p.

LEE COOPER (trousers, jeans, skirts, casual wear)—Results for 1979 already known. Capital reserves £3.42m (£2.14m). Revenue reserves £8.73m (£7.27m). Bank balances and cash £7.89m (£7.1m). Bank indebtedness £5.28m (£3.47m) of which £3.4m (£1.68m) secured. Chairman's emoluments £126,513 (£76,574). Meeting, Cafe Royal, W., June 26, at noon.

MILLETTS LEISURE SHOPS—Results for year ended January 28, 1980, with prospects reported May 8. Shareholders' funds £6.26m (£5.15m). Bank overdraft (secured) £456,000 (nil), loans £409,000 (£249,000). Meeting, Abercorn Rooms, EC, July 9, noon.

JOHN MOWLEM AND CO. (building, civil engineering, construction)—Results for 1979, already known. Shareholders' funds £33.84m (£25.37m). Reserves, £29.88m (£21.41m). Overdrafts and loans £1.54m (£1.43m). Debtors and work in progress £25.32m (£18.6m). Meeting, Brentford, Middlesex, July 2, at 11 am.

WILLIAM PICKLES AND CO. (textiles)—Results for 1979 with prospects reported May 28 in full preliminary statement. Shareholders' funds £8.36m (£6.15m). Bank overdraft and loans £4.49m (£1.36m). Meeting, Manchester, July 3, 11.30 am.

PYRAMID GROUP (PUBLISHERS)—Results for 1979 reported May 30. Capital employed £959,790 (£946,302). Bank deposits £424,560 (£284,531). Cash and bank balances £79,897 (£41,845). Shareholders' funds £954,881 (£908,844). Meeting, Hilton Hotel, W., July 3, 10 am.

THOMSON BRITISH HOLDINGS (subsidiary of Thomson Equitable Corporation)—Turnover for 1979, £684.9m (£576.4m). Profit £171.5m (£136.9m) before tax of £128.9m (£85.1m).

UBM GROUP (builders' merchant)—Results for year to February 29, 1980, and prospects, reported May 30 in full preliminary statement. Group fixed assets £41.52m (£22.03m). Current assets £85.15m (£72.82m) including cash £2.29m (£0.51m). Current liabilities £49.5m (£45.46m) including bank overdrafts, short-term loans and acceptances £1.03m (£9.55m). Net borrowings fell by £12.7m to £11.4m. Shareholders' funds £63.68m (£33.64m). Meeting, Bristol, July 3, at noon.

GEORGE WIMPEY—Results for 1979 already reported with prospects for current year. Net assets employed, £444.65m (£338.87m). Work in progress and stocks £297.03m (£202.46m). Bank overdrafts £34.8m (£27.34m). Loans £123.7m (£51.96m). Debtors £180.9m (£140.2m). Grove Charity Management holds £49.9 per cent of ordinary shares. Meeting, Royal Garden Hotel, W., July 3, at noon.

CURRENCIES, MONEY and GOLD

Sterling falls

Sterling lost ground and the dollar was soft in the foreign exchange market yesterday, leading to intervention by the Bank of England and the U.S. Federal Reserve. The pound opened at $2.3400-2.3415 and touched a peak of $2.3450-2.3460 in early trading. Soon after, fears of a reduction in Bank of England Minimum Lending Rate in the near future pushed the pound down to $2,3175-2.3185, where the authorities intervened to steady the rate. In the afternoon sterling recovered to $2.34 once again, reflecting the weakness of the dollar, while the latest UK banking figures did little to clarify the situation about MLR. The pound finished at $2.3325-2.3335, a fall of 1.80 cents on the day.

Sterling's index, as calculated by the Bank of England, fell to 73.5 from 73.9, after standing at 73.4 at noon and 73.6 in the morning. The dollar's index rose to 83.2 from 83.0.

The dollar was supported by the U.S. authorities, and several other central banks, including the Bundesbank and Bank of Japan. It fell to Y215.80 from Y216.40 against the yen, and eased to DM 1.7620 from DM 1.7625 against the D-mark.

D-MARK—Showing renewed strength against the dollar and steady within the European Monetary System, following firmer rates in Frankfurt, and lower U.S. interest rates—The D-mark was firm against most currencies at the Frankfurt fixing, including the dollar which fell to DM 1.7599 from DM 1.7642. The Bundesbank probably bought dollars in open trading and also intervened to buy $7.1m at the fixing. Sterling fell to a low of DM 4.0900 in the morning, and was fixed at DM 4.1040, compared with DM 4.1480 on Monday. The Swiss franc was fixed at DM 1.0855 against DM 1.0848. Within the EMS the French franc fell to DM 42.94 per 100 francs from DM 42.99 and the Belgian franc to DM 6.2170 per 100 francs from DM 6.2390. On the other hand the Dutch guilder rose to DM 91.1350 per 100 guilder from DM 91.07.

ITALIAN LIRA—Weakest member of EMS, after rising to the top of the system in February, and remaining firm for most of last year—The lira lost ground at the Milan fixing against most of its EMS partners, but improved in terms of the dollar and sterling. The U.S. currency fell to L830.20 from L830.55 and the pound to L1,934 from L1,954. Within the EMS the D-mark rose to L472.10 from L470.81; the French franc to L202.66 from L202.52; the guilder to L430.15 from L428.73; the Danish krone to L151.82 from L151.5; and the Irish punt to L1,755.30 from L1,751.

BELGIAN FRANC — Remaining firm within EMS despite slight easing of interest rates by the Belgian authorities — The Belgian franc declined against the dollar, Swiss franc and members of the EMS at the Brussels fixing, but rose against sterling. The dollar was fixed at BFr 28.29 compared with BFr 28.28, and the Swiss franc at BFr 17.4475 against BFr 17.3080. The pound fell to BFr 65.8625 from BFr 66.5150.

JAPANESE YEN—Energy and balance of payments problems reflected in sharp decline last year. More recently lower U.S. interest rates have helped the yen recover—The yen continued to advance against the dollar, despite intervention by the Bank of Japan, estimated at $100m to $200m. The U.S. currency opened at Y216.30, and immediately came under pressure. In the afternoon it touched a 10-month low of Y215.60, and closed at Y215.80 compared with Y217.70 on Monday.

THE POUND SPOT AND FORWARD

June 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3175-2.3460	2.3325-2.3335	1.85-1.75c pm	9.26	4.15-4.05 pm	7.03
Canada	2.6630-2.6935	2.6830-2.6840	1.30-1.20c pm	5.59	3.45-3.35 pm	5.07
Nethlnd.	4.46-4.54	4.50½-4.51½	3-2c pm	6.65	6¾-5¾ pm	5.54
Belgium	65.25-66.20	66.00-66.10	20-10c pm	2.73	35-25 pm	1.82
Denmark	12.65-12.80	12.75¾-12.76¾	¼-2½ore dis	−1.53	8⅞-10⅞ dis	−3.06
Ireland	1.1005-1.075	1.1043-1.1053	0.04-0.01p pm	0.27	0.29-0.24 pm	0.96
W. Ger.	4.06-4.13	4.10¾-4.11¾	3⅝-2⅝pf pm	9.12	7⅛-6⅞ pm	7.17
Portugal	112.80-114.40	113.60-113.80	25c pm-10c dis	0.79	20pm-100dis	−1.41
Spain	161.30-163.05	162.80-162.90	27c pm-22c dis	0.18	9pm-65dis	−0.69
Italy	1919-1942	1938¾-1939¾	1½-3½lire dis	−1.55	13½-15½dis	−2.99
Norway	11.19-11.33	11.30-11.31	7½-6¼ore pm	7.23	15⅛-15 pm	5.55
France	9.47-9.61	9.56¾-9.57¾	4¾-3¾c pm	5.33	9¾-8¾ pm	3.87
Sweden	9.61-9.73	9.70-9.71	3¼-2¾ore pm	3.71	4-3½ pm	1.55
Japan	497-510	503-504	2.35-1.85y pm	5.00	6.70-6.20 pm	5.12
Austria	29.10-29.40	29.22-29.27	20-17gro pm	7.59	48-43 pm	6.22
Switz.	3.74-3.80	3.78¾-3.79¾	4-3c pm	11.09	10⅛-9⅛ pm	10.17

Belgian rate is for convertible francs. Financial franc 66.95-67.05. Six-month forward dollar 6.52-6.42c pm. 12-month 9.35-9.25c pm.

THE DOLLAR SPOT AND FORWARD

June 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3175-2.3460	2.3325-2.3335	1.85-1.75c pm	9.26	4.15-4.05 pm	7.03
Ireland†	2.1075-2.1115	2.1095-2.1105	1.70-1.60c pm	9.38	4.25-4.15 pm	7.96
Canada	1.1488-1.1508	1.1503-1.1506	0.30-0.36c dis	−3.39	0.66-0.71dis	−2.38
Nethlnd.	1.9280-1.9355	1.9305-1.9320	0.25-0.35c dis	−1.86	0.60-0.70dis	−1.35
Belgium	28.25-28.32	28.30-28.32	14-16c dis	−6.36	35-38 dis	−5.16
Denmark	5.4630-5.4755	5.4650-5.4665	5.00-5.25ore dis	−11.25	13.5-14.0ds	−10.06
W. Ger.	1.7560-1.7640	1.7615-1.7625	0.07-0.17pf dis	−0.81	0.05-0.15dis	−0.45
Portugal	48.65-48.85	48.70-48.85	25-40c dis	−7.99	75-125 dis	−8.20
Spain	69.70-69.88	69.78-69.84	40-50c dis	−7.74	110-130 dis	−6.87
Italy	829.30-832.75	830.25-831.00	7-8lire dis	−10.83	21.25-23dis	−10.88
Norway	4.8360-4.8670	4.8425-4.8435	0.40-0.90ore dis	−1.61	1.30-1.80dis	−1.28
France	4.0945-4.1060	4.1030-4.1050	1.30-1.40c dis	−3.95	3.20-3.40dis	−3.21
Sweden	4.1515-4.1600	4.1585-4.1600	2.00-2.15ore dis	−5.98	5.60-5.75dis	−5.46
Japan	215.20-216.05	215.75-215.85	0.55-0.75y dis	−3.61	0.80-1.00dis	−1.66
Austria	12.53-12.5650	12.53-12.54	0.9-1.5gro dis	−1.15	1.00-2.80dis	−0.60
Switz.	1.6160-1.6250	1.6220-1.6230	0.43-0.33c pm	2.81	1.55-1.45 pm	3.70

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

June 10	Bank of England Index	Morgan Guaranty Changes %
Sterling	73.5	−32.4
U.S. dollar	83.2	−10.4
Canadian dollar	81.6	−16.1
Austrian schilling	156.4	+24.4
Belgian franc	115.6	+15.9
Danish kroner	107.5	−4.2
Deutsche mark	155.8	+44.6
Swiss franc	198.7	+80.2
Guilder	125.6	+19.8
French franc	101.4	−5.8
Lira	53.4	−51.0
Yen	131.3	+29.4

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

June 9	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.562275	0.606457
U.S. $	12	1.32208	1.42669
Canadian $	11.83	1.52085	1.64355
Austria Sch	6¾	Unavail.	17.9335
Belgian F	14	37.3667	40.3385
Danish K	13	7.26053	7.81826
D'Mark	7½	2.33231	2.51668
Guilder	10	2.56141	2.76307
French Fr.	9½	5.42557	5.85442
Lira	15	1097.94	1185.58
Yen	9	289.126	310.20
Norwgn. Kr.	9	6.41378	6.91231
Spanish Pts.	8	92.0679	99.4403
Swedish Kr.	10	5.49890	5.93432
Swiss Fr.	3	2.15159	2.31823

OTHER CURRENCIES

June 10	£	$		£ Note Rates
Argentina Peso	4270-4290	1829-1836	Austria	29.05-29.35
Australia Dollar	2.0175-2.0215	0.8651-0.8656	Belgium	66.25-66.85
Brazil Cruzeiro	*118.03-119.03*	*50.61-50.81*	*Denmark*	12.70-12.80
Finland Markka	848.50-850.50	3.6330-3.6350	France	9.48-9.54
Greek Drachma	180.592-182.928	42.90-43.20	Germany	4.08-4.11
Hong Kong Dollar	11.465-11.495	4.9130-4.9160	Italy	1905-1965
Iran Rial	n/a	n a	Japan	500-505
Kuwait Dinar(KD)	0.620-0.626	0.2672-0.2675	Netherlands	4.48-4.51
Luxembourg Frc.	66.00-66.10	28.30-28.32	Norway	11.24-11.33
Malaysia Dollar	4.983-4.998	2.1345-2.1365	Portugal	110.50-114.50
New Zealand Dlr.	2.3535-2.3585	0.9895-0.9905	Spain	*156.50-163.75*
Saudi Arab. Riyal	7.75-7.81	3.3280-3.3310	Sweden	9.65-9.74
Singapore Dollar	4.9375-4.9525	2.1150-2.1170	Switzerland	3.755-3.785
Sth. African Rand	1.8240-1.8255	0.7758-0.8130	United States	2.314-2.324
A.E. Dirham	8.62-8.68	3.7000-3.7030	Yugoslavia	61.00-68.00

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU June 10	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3357	+1.37	+0.65	±1.53
Danish Krone	7.72336	7.80667	+1.08	+0.36	±1.64
German D-Mark	2.48208	2.51066	+1.15	+0.43	±1.125
French Franc	5.84700	5.84967	+0.05	−0.67	±1.3557
Dutch Guilder	2.74362	2.75548	+0.43	−0.29	±1.512
Irish Punt	0.668201	0.675179	+1.04	+0.32	±1.668
Italian Lira	1157.79	1185.95	+2.43	+2.22	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

June 10	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.333	4.113	503.5	9.573	3.788	4.510	1939.	2.684	66.05
U.S. Dollar	0.429	1.	1.763	215.8	4.103	1.623	1.933	831.2	1.150	28.31
Deutschemark	0.243	0.567	1.	122.4	2.328	0.921	1.097	471.6	0.653	16.06
Japanese Yen 1,000	1.986	4.634	8.168	1000.	19.01	7.522	8.957	3852.	5.330	131.2
French Franc 10	1.045	2.437	4.296	526.0	10.	3.957	4.711	2026.	2.803	69.00
Swiss Franc	0.264	0.616	1.086	132.9	2.527	1.	1.191	512.0	0.708	17.44
Dutch Guilder	0.222	0.517	0.912	111.6	2.123	0.840	1.	430.0	0.595	14.65
Italian Lira, 1,000	0.516	1.203	2.121	259.6	4.936	1.953	2.326	1000.	1.384	34.06
Canadian Dollar	0.373	0.869	1.533	187.6	3.567	1.411	1.681	722.7	1.	24.61
Belgian Franc 100	1.514	3.532	6.228	762.3	14.49	5.734	6.828	2936.	4.063	100.

FT LONDON INTERBANK FIXING (11.00 a.m. JUNE 10)

3 month U.S. dollars		6 month U.S. dollars	
bid 9 5/16	offer 9 7/16	bid 9¼	offer 9⅜

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

June 10	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	17¼-17½	8-8¼	12-14	11⅛-11⅜	9½-9¾	9⅝-9⅞	12¼-12½	14-17	9⅛-9¼	13-13½
7 days' notice	17½-17¾	8½-8⅝	12-14	11⅛-11⅜	6½-8¾	9⅛ 10	12⅜-12½	17-20½	8⅞-9	12½-12¾
Month	17⅝-17⅞	8 11/16-8 13/16	12¼-12⅞	10⅞-11⅛	6⅜-6½	9¾-9⅞	12⅜-12½	18¼-19¾	9 1/16-9 3/16	12½-12¾
Three months	17¼-17½	9⅛-9¼	11½-11⅞	10¾-11	5 1/16-5 3/16	9½-9 11/16	12⅜-12½	18-20	9¼-9⅜	10⅞-11⅛
Six months	15-15¼	9⅛-9¼	10⅝-11	7⅜-7⅝	5 7/16-5 9/16	9⅛-9 5/16	12⅜-12½	18-19	9¼-9⅜	10 1/16-10 3/16
One year	14-14¼	9⅛-9¼	10⅝-10¾	10⅛-10⅜	5½-5⅝	8¼-8 7/16	12⅜-12½	19-20	9⅛-9¼	8¾-9

The following nominal rates were quoted for London dollar certificates of deposit: one-month 8.70-8.80 per cent; three-months 8.75-8.85 per cent; six-months 8.70-8.80 per cent; one year 8.95-9.05 per cent.

Long-term Eurodollar two years 10⅜-10½ per cent; three years 10½-10¾ per cent; four years 10⅝-10⅞ per cent; five years 10¾-11 per cent: nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Belgian rates ease

Interest rates continued to decline in Brussels yesterday, with the National Bank announcing further cuts in short-term Treasury bill rates. One, two and three-month Treasury bills were all cut by 0.25 per cent to 15.25 per cent for one-month, 15.00 per cent for two-month, and 14.75 per cent for three-month bills. At the same time the rate on four-month bond fund paper was reduced by 0.25 per cent to 15 per cent at the weekly auction. Six-month Treasury bills which have remained at 15.75 per cent since May 15, were cut by 1.50 per cent to 14.25 per cent.

This latest round of interest rate cuts is seen as a continuation of the authorities' reaction to a general easing of interest rates in other major countries. Earlier in the year the Belgian authorities had pushed interest rates to record levels in order to protect the franc, which was very weak within the European Monetary System.

In Paris call money was quoted at 12⅜ per cent, unchanged from Monday, while longer term rates showed an easier tendency.

In Frankfurt call money fell back from Monday's four-week peak of 10.175 per cent, to 9.95 per cent. Period rates up to one-year were unchanged however.

In Singapore, Oversea Chinese Banking Corp., one of the big four banks, lowered its prime rate to 11 per cent from 11¼ per cent. Fixed deposit rates were also cut by 0.25 per cent.

MONEY RATES

NEW YORK	
Prime Rate	13
Fed. Funds	8¼-8½
Treasury Bills (13-week)	6.34
Treasury Bills (26-week)	6.95
GERMANY	
Discount Rate	7.5
Overnight Rate	9.95
One month	10.125
Three months	10.225
Six months	9.90
FRANCE	
Discount Rate	9.5
Overnight Rate	12.375
One month	12.375
Three months	12.375
Six months	12.25
JAPAN	
Discount Rate	9.0
Call (Unconditional)	12.6875
Bills Discount (three-month)	13.6875

UK MONEY MARKET

Small help

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day to day credit was in short supply in the London money market yesterday, and the authorities gave assistance by buying a small number of Treasury bills and a small amount of corporation bills, all direct from the discount houses. Total help was still termed as small. There were no factors in the market's favour to offset the small net take up of Treasury bills and a small excess of revenue transfers to the Exchequer over Government disbursements.

Discount houses were paying up to 16½ per cent for secured call loans at the start, with later balances taken down to 15¾ per cent. In the interbank market, overnight loans opened at 16½-16¾ per cent and eased to 16-16¼ per cent where much of the day's business was seen. Towards the close rates fell away to 14½ per cent. Sterling CDs were mostly ¼ of a point higher after May's disappointing banking figures reduced the probability of an early cut in MLR.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

June 10 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	14½-16¾	—	—	—	16⅝	15¾-16½	—	—	—
2 days notice	—	—	16¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16⅝-16⅞	16⅞	—	17⅛	17½	16½	—	—	—
One month	17⅛-16 15/16	16⅞-17	16¾-16⅞	17¾-18	17¼	17⅜	16½	15 13/16-15 27/32	17½-17 7/16	17½
Two months	17 1/16-16⅝	16 13/16-16 11/16	—	17¼-17¾	17	—	16⅛-16¼	15⅞-15 25/32	16 1/16-16 1/16	17
Three months	16½-16¼	16⅜-16½	16⅜-16⅛	16⅝-17	16⅝	17	15¾-16	15 25/32-15⅞	16 1/16-16¼	16 1/16
Six months	15 5/16-15	15⅛-15¼	16⅛-15¼	15¼-15¾	15½	16¼	—	—	14½-14⅝	15¼
Nine months	14⅜-14	14¼-14⅜	—	15-15⅜	14 1/16	15½	—	—	—	—
One Year	14⅛-13 15/16	14⅛-14¼	14⅛-14⅞	14½-14¾	14⅜	15	—	—	—	—
Two years	—	—	14¼-14½	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rate nominally three years 14⅝-14⅞ per cent; four years 14⅞ per cent; five years 14 per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15½-15⅝ per cent; four-month trade bills 16⅛ per cent.

Approximate selling rates for one-month Treasury bills 15⅝-15 25/32 per cent; two-months 15⅝-15 27/32 per cent; three-months 15 21/32-15 25/32 per cent. Approximate selling rates for one-month bank bills 17 1/32 per cent; two-months 16 31/32-16 21/32 per cent; three-months 15 13/32-16⅛ per cent; one-month trade bills 17⅛ per cent; two-months 16⅞ per cent; and three-months 16 5/32 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17½ per cent from June 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.8506 per cent.

GOLD

Sharp fall

Gold fell $22 to $602-606 in the London bullion market yesterday in fairly active trading. Profit taking after the recent rise pushed the metal down to a low point of $590-595, despite fears of a rise in oil prices resulting from the OPEC meeting in Algeria. Gold opened at $617-621, the highest level of the day, and was fixed at $606.50 in the morning, and $604.00 in the afternoon.

In Paris the 12½-kilo bar was fixed at FFr 79,000 per kilo ($599.52 per ounce) compared with FFr 80,500 ($611.43) in the morning and FFr 80,500 ($610.09) on Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 34,380 per kilo ($608.04 per ounce) against DM 35,740 ($630.33) previously, and finished at $603-606 compared with $621-625.

In Zurich gold finished at $600-605, compared with $621-626.

	June 10		June 9	
Gold Bullion (fine ounce)				
Close	$602-606	(£258-260)	$624-628	(£265¼-267½)
Opening	$617-621	(£263¾-265¾)	$617-621	(£262-264)
Morning fixing	$606.50	(£260.356)	$627.50	(£266.794)
Afternoon fixing	$604.00	(£258.285)	$623.75	(£265.143)
Gold Coins				
Krugerrand	$621-624	(£266-269)	$641½-644½	(£273-275)
Mapleleaf	$615-620	(£262½-265½)	$637-642	(£271-274)
New Sovereigns	$152½-154	(£65¼-66¼)	$158½-159½	(£67½-68½)
King Sovs	$182-184	(£78-80)	$183½-185½	(£78-80)
Victoria Sovs	$183-185	(£78½-80½)	$184-186	(£78½-80½)
French 20s	$154-157		$156-160	
50 pesos Mexico	$747-752		$768-773	
100 Cor. Austria	$590-595		$613-618	
$20 Eagles	$680-685		$685-689	
$10 Eagles	—		—	
$5 Eagles	—		—	

COMPANY NOTICES

NICHII CO. LTD.

NOTICE TO EDR HOLDERS

Further to notice of May 19, 1980, The Chase Manhattan Bank, N.A. announce that the year-end cash dividend of Yen 8.50 per share has been converted to U.S. Dollars and amounts to U.S.$42.69 gross per EDR.

Accordingly EDR holders may present Coupon No. 9 for payment forthwith at the office of the Depositary, The Chase Manhattan Bank, N.A., Coleman Street, London EC2P 2HD, or with the Depositary's Agent, Chase Manhattan Bank Luxembourg, S.A., 47, Boulevard Royal, Luxembourg, subject to deduction of Japanese withholding tax (if any) at the appropriate rates.

THE CHASE MANHATTAN BANK, N.A., London, as Depositary.

June, 1980.

TATE & LYLE, LIMITED

NOTICE TO HOLDERS OF BEARER SHARE WARRANTS

NOTICE IS HEREBY GIVEN to holders of Bearer Warrants for ORDINARY STOCK of the Company that an interim dividend on the Ordinary Stock of 4.00p in respect of the 52 weeks ending 27th September 1980 will be paid on or after 31st July 1980 to holders of Bearer Warrants upon presentation of COUPON No. 47.

Warrant Holders who are employees or pensioners of Tate & Lyle, Limited, or of one of its Associated Companies, should follow the instructions to be distributed and displayed on the Companies' Notice Boards.

Warrant Holders who are not employees or pensioners of Tate & Lyle, Limited must present their coupons to the Company at the address shown below on or after 31st July 1980.

J. E. WRIGHT, Secretary.

Sugar Quay, Lower Thames Street, London EC3R 6DQ.

6th June 1980.

GOLD FIELDS GROUP

DECLARATION OF DIVIDENDS

The following dividends have been declared in South African currency, payable to members registered in the books of the companies concerned at the close of business on 27 June 1980:

Name of Company (All companies are incorporated in the Republic of South Africa)	Dividend No.	Amount per share cents
Interim Dividend		
East Driefontein Gold Mining Company Limited	14	120
Final Dividends		
Doornfontein Gold Mining Company Limited	47	100
Kloof Gold Mining Company Limited	21	240
Libanon Gold Mining Company Limited	59	150
Venterspost Gold Mining Company Limited	80	135
West Driefontein Gold Mining Company Limited	55	650

Dividend warrants will be posted on or about 4 August 1980.

Vlakfontein Gold Mining Company Limited. No dividend has been declared by this company. As announced in the press on 22 April 1980, a special resolution was passed at the adjourned annual general meeting held on 18 April 1980, providing for the reduction in the authorised and issued capital of the company from 80 cents per share to 70 cents per share and for the repayment of capital (No. 3) of 10 cents per share to members registered in the books of the company at the close of business on 27 June 1980. The approval of the South African Exchange Control authorities has been obtained in regard to payments to registered members who are non-residents of the Republic of South Africa, such payments to be made at the rate of exchange applicable to Financial Rand or, in the case of emigrants from the Republic, to a Blocked Rand account with the applicable Authorised Dealer. Subject to the reduction of capital being confirmed by the Supreme Court of South Africa, it is the intention that cheques/warrants in respect of this repayment of capital will be posted on or about 4 August 1980 to members at their registered addresses or to such other addresses as may be advised to the company by 27 June 1980. Existing dividend mandates will not apply in respect of this repayment.

Standard conditions relating to the payment of dividends, and the conditions relating to the repayment of capital by Vlakfontein Gold Mining Company Limited, are obtainable at the share transfer offices and London office of the companies.

Requests for payment of the dividends or the repayment of capital in South African currency by members on the United Kingdom registers must be received by the companies concerned on or before 27 June 1980 in accordance with the above mentioned conditions.

The registers of members of all the above companies will be closed from 28 June to 4 July 1980, inclusive.

London Office:
49 Moorgate,
London EC2R 6BQ.

United Kingdom Registrars
Close Registrars Limited,
803 High Road,
Leyton,
London E10 7AA.
10 June 1980.

By order of the boards,
C. E. WENNER,
London Secretary.

KENNECOTT INTERNATIONAL N.V.

Copies of the Annual Report of Kennecott Corporation for 1979 are now available from:

W. Greenwell & Co.,
Bow Bells House, Bread Street, London EC4M 9EL

PROVINCE OF NEWFOUNDLAND (CANADA)

U.S. Dollars 50,000,000.- 9¼% 1978/1990 Bonds

Pursuant to the provisions of the Purchase Fund, notice is hereby given to Bondholders that nominal U.S. Dollars 1,875,000 have been purchased for the Purchase Fund during the twelve-month period commencing June 1, 1979.

Amount outstanding: U.S. Dollars 45,675,000.-

June 11, 1980.

PROVINCE OF NEWFOUNDLAND (Canada)

LEGAL NOTICES

BRAINTREE FASHIONS LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a Meeting of the creditors of the above-named Company will be held at the offices of Leonard Curtis & Co., *situated at 3/4 Bentinck Street, London* W1A 3BA, on Wednesday the 18th day of June 1980 at 12 o'clock midday, for the purposes provided for in Section 294 and 295.

Dated the 3rd day of June 1980.

J. J. O'DONOVAN, Director.

NOTICE TO CREDITORS
TO SEND IN PARTICULARS OF DEBTS OR CLAIMS
RIVIERA FINE FOODS (UK) LIMITED
(In Voluntary Liquidation)

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company *are required on or before the 11th day* of July 1980, to send in their names and addresses, with particulars of their Debts or Claims, and the names and addresses of their Solicitors (if any), to the undersigned Malcolm J. Coleman, F.C.A., of Jeffreys, Henry Rudolf and Marks, the Liquidators of the said Company, and, if so required by notice in writing by the said Liquidators, are by their Solicitors or personally to come in and prove their said Debts or Claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the *benefit of any distribution made before* such debts are proved.

Dated this 3rd day of June 1980.

M. J. COLEMAN, Liquidator.

IN THE MATTER OF
MELVIN ELECTRIC CO.
(SOUTHPORT) LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the *Creditors of the above-named Company* which is being voluntarily wound up, are *required*, on or before the *18th day* of July, 1980, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Leonard Cyril Curtis of 3/4 Bentinck Street, London W1A 3BA, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 2nd day of June 1980.

L. CURTIS,
G. J. WATTS,
Liquidators.

IN THE MATTER OF
SWISHBRIDGE LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the *creditors of the above-named Company*, which is being voluntarily wound up, are *required*, on or before the First day of July, 1980, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their *Solicitors (if any)*, to the undersigned David Murray Nixon of 11/13 Holborn Viaduct, London EC1P 1EL, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 3rd day of June, 1980.

D. M. NIXON, A.C.I.S.,
Liquidator.

N.B.—This notice is purely formal. All known creditors have been, or will be, *paid in full*.

PUBLIC NOTICES

CORPORATION BILLS

£5.0m Suffolk C.C. Bills issued at 15 61/64% on 10th June, 1980 to mature 9th September 1980. Applications £50.0m. Outstanding £15.0m.

£0.65m Ipswich Bills issued at 15 11/32% *on 10th June, 1980 to mature 9th September, 1980.* Applications £8.16m. Outstanding £0.65m.

METROPOLITAN BOROUGH OF SANDWELL

£1,750,000 Bills issued 11.6.80 maturing 10.9.80. £750,000 Bills issued at 15 15/16%. £1,000,000 Bills issued at 15 61/64%. Total application £12.25m. Bills outstanding £8.5m.

METROPOLITAN BOROUGH OF WIRRAL

£2,000,000.00 Bills issued 11.6.80 maturing 10.9.80. £2,000,000 Bills issued at 15 61/64%. Total applications £15.5m. Bills outstanding £2m.

RESIDENTIAL PROPERTY

TRAVEL

EDUCATIONAL

PERSONAL

COLIN ELY has recently left Jones, Lang Wootton to join the Professional Services Department of Conrad Ritblat & Company, located at their Glasgow Office.

NORTH AMERICAN NEWS

Kennecott, Mitsubishi in mining deal

BY IAN HARGREAVES IN NEW YORK

KENNECOTT, formerly Kennecott Copper, is to form a joint venture with Mitsubishi Corporation of Japan to modernise and extend capacity at a copper production facility in New Mexico.

In return for making a minority contribution to the $270m investment, Mitsubishi, a leading Japanese trading house, would receive a share in output from the plant.

Details of the agreement have not yet been negotiated, but would give Mitsubishi a toehold in the U.S. copper industry at a time when Japanese copper output is declining.

For Kennecott the attraction is assistance with financing a major project—the company's entire capital investment programme last year amounted to only $158m—at a time when recent falls in the price of copper have again put pressure on the company's operating margins.

Kennecott is in the early stages of a $107bn modernisation and expansion programme, spread over five years, under which it intends to close down smaller and less efficient production facilities and consolidate operations at what it considers to be its key centres.

The Silver City, New Mexico, project will include an increase in mining output and modifying smelting and concentrating equipment. The company is also considering building an additional smelter at the site, which would more than double the cost of the project.

Last year Kennecott earned $130m on sales of $2.4bn, its best year since 1974.

In order to stabilise its income from precious metals operations, Kennecott has contracted to sell half its 1980 gold and silver production at prices averaging $21 an ounce for silver and $483 an ounce for gold. The spot price of gold has in the last week soared by more than $80 an ounce to top the $600 an ounce mark for the first time in three months.

Imasco sees continued expansion

By Robert Gibbens in Montreal

IMASCO, the major tobacco and food products group which is controlled by BAT Industries of the UK, expects "continued expansion and profitability in all divisions" in the current year ending March 31.

Earnings for fiscal 1980 were C$68.2m or C$6.61 a share on revenues of C$1.15bn.

In its annual report, the company says the Imperial Tobacco division should improve volume, market share and earnings, while the recently expanded retail products division should post a significant increase in sales and earnings from all operations.

New Quebec move on Asbestos

BY OUR FINANCIAL STAFF

THE PROVINCE of Quebec has asked the Quebec Court of Appeal to suspend an injunction barring the province from expropriating the Quebec assets of Asbestos Corporation, which is 55 per cent owned by General Dynamics of the U.S.

The aim of the request is to allow the Government to begin the takeover of the assets this summer rather than after the resolution of Asbestos's appeal on the constitutional legality of Quebec's expropriation law. The Quebec Superior Court last month upheld the legislation as being within the Province's constitutional powers and rejected most of the arguments put forward by Asbestos, which is the second largest producer of Asbestos fibre in Quebec.

The Quebec Government has said a fair value for Asbestos Corporation is C$42 a share, or about C$119m in total, while General Dynamics' advisers have suggested C$100 a share.

When Asbestos appealed against the Superior Court decision its injunction, granted last December, was immediately extended.

The petition seeks removal of the injunction on the grounds that the reasons for its original issue are no longer valid.

Quebec's petition argues that the language challenge on which the injunction on expropriation legislation was based—the [illegible] was passed through the Quebec National Assembly in French only—has been clearly set aside.

● Westburn International Industries, of Montreal and Calgary, plans to purchase all the stock of Southwestern Supply Company, wholesale distributor of plumbing and heating supplies, based in Pueblo, Colorado. Cost of the deal, which is due to be completed within a month, is not disclosed, writes Robert Gibbens in Montreal.

Westburn is a major oil and gas producer and drilling contractor with international operations, and is also the largest wholesale plumbing, electrical and supply group in Canada.

Last year it made its first U.S. purchase and a second acquisition had been expected.

Prices tumble again in East-West air war

BY OUR NEW YORK STAFF

WORLD AIRWAYS, the small California airline, yesterday struck back in the price war which is now raging on air services between the main East and West Coast cities of the U.S.

World, which has based its transformation from a charter-only scheduled operator on daring pricing strategies, said that from today until the end of June passengers would be able to travel between New York and San Francisco, New York and Los Angeles or at night from Los Angeles to Washington, DC, for $88.

Mr. Edward Daly, World's president, said yesterday: "We do not intend to let the other carriers undercut the low fares we started."

The move follows a general collapse of fares for East to West coast services by the major carriers in response to the arrival of Eastern Airlines, the Florida carrier, on the New York-California route.

Eastern announced in March that it would enter the transcontinental market in June with a $195 one-way fare, shaving more than $100 from the price charged by the other major carriers on the route, United Airlines, Transworld Airlines and American Airlines.

These carriers responded with a $99 one-way fare a few days ago (the same as the lowest price fare from New York to Florida, which is about one third the distance as New York-San Francisco).

At this stage all the carriers are proclaiming their determination to survive the pricing battle, but it is obvious that before the summer season is out one of the contenders must crack.

With airline traffic generally weakening—Domestic traffic fell by 1.4 per cent in the first four months of the year—because of sharply reduced consumer spending at the onset of the recession in the U.S. All the major airlines have suffered sharp reductions in profitability, or, in the case of some—such as TWA, American and Pan American World Airways—heavy losses.

In sparking the price war, Eastern was responding to the decision by other carriers last winter to enter the New York-Florida market, which is among Eastern's more lucrative routes. It is also relying on the fact that although it is heavily indebted and under considerable financial strain, its fleet is more modern than some others and will enable it to prove a more cost effective competitor.

Slower growth at West Point Pepperell

By Our Financial Staff

WEST POINT-PEPPERELL, the household and apparrel textile group, has reported a 20.1 per cent rise in net profit to $11.16m for its third quarter, reflecting a slowdown in the rate of growth in earnings from the first two quarters.

The third quarter rise came on sales 21.2 per cent higher at $318.7m and primary earnings per share came out at 2.45 against $1.91 in the corresponding quarter of last year.

After nine months profits were 44 per cent ahead to 31.42m, with the third quarter slowdown reducing the rate of growth from the 72 per cent shown for the first half. However, profits are in sight of the annual record of $32.4m set in 1978.

West Point said the momentum from the first half of the year carried through into its third quarter but added that it did not expect the favourable trend to continue into the final quarter. While the company does not expect to perform as well in the final quarter as it did in the three prior quarters, results should be reasonably good.

It said that with the U.S. economy slowing its order backlog it had dropped from the high point reached in March.

Also, at a time of softening demand it was facing significant cost increases, including a general wage increase in July and higher raw material costs.

For the third quarter its woven and knitted apparel fabrics and bed and bath products improved profits, while carpets and industrial fabrics were only slightly down from the prior quarter.

SoCal in shale oil project

By Our New York Staff

DEVELOPMENT of oil shale as an alternative fuel received another boost yesterday when Standard Oil of California (SoCal) said it had decided to spend $20m this year as part of its plan to develop shale properties in Colorado.

SoCal owns 43,000 acres of shale land, one of the largest positions in the industry. Provided the demonstration plants are satisfactory and the necessary government incentives and permits come through, SoCal expects to spend about $5bn on developing a plant that will produce 100,000 barrels of oil a day from shale in the early 1990s.

Go-ahead for Diamond deal

By Our New York Staff

SHAREHOLDERS of Diamond International, the New York forest products company which last week reached an accord with Sir James Goldsmith's Cavenham group in a long running takeover squabble, have voted narrowly to allow the company's merger with Brooks-Scanlon, another forest products company.

A preliminary tally showed that almost 6.9m shares were cast in favour of the merger, just 400,000 more than the minimum required.

The narrowness of the vote is thought to have been one reason why Diamond moved to make an accommodation with Sir James, who had opposed the terms of the Brooks-Scanlon deal. That accommodation, announced last Friday, means that Cavenham will go ahead with a tender offer for a further 33 per cent of Diamond on top of the 5 per cent it already owns at an offer price of $42 a share, $2 higher than Sir James originally proposed.

Good first half for IHCC

By Our Financial Staff

INTERNATIONAL Harvester Credit Corporation, the wholly-owned subsidiary of International Harvester Company, the trucks and farm machinery manufacturer, increased net earnings for its first six months ended April first six months ended April 30 by 6.4 per cent to £33m. Revenue totalled $300m, against $227m.

IHCC provides wholesale and retail financing for its parent company's dealers and customers.

The company's second quarter income was $16m, compared with $17.6m in the same period of 1978-79, on revenues of $147m, against $120m.

INTERNATIONAL CAPITAL MARKETS

World Bank plans further $200m Eurobond issue

BY PETER MONTAGNON

THE WORLD BANK is tapping the Eurobond market for a further $200m following the success of its $300m Eurobond announced last Friday. The issue will be a semi-private placement and is once again managed by Paribas.

Maturity has been set at five years, the coupon is 9¾ per cent and the issue price is par.

This compares with the 10¼ per cent coupon set on the $300m issue which has a seven-year maturity. This issue was trading at a discount of ⅞ per cent yesterday which is well below the selling concession of 1¼ per cent.

Meanwhile Swiss Bank Corporation and Merrill Lynch have lowered the coupon on the current issue for Pemex to 11¼ per cent from 11½. The initial tranches of this tap issue has been raised to $100m from $75m and the price is par.

Despite this easing of terms for new issues, dollar Eurobonds yesterday suffered a slight setback after Monday's strong advance.

With the New York market faltering on the heavy volume of new issues, Eurobond investors also saw a chance to take profits despite a further decline in Eurodeposit rates.

Three-month dollars were quoted at 9 per cent yesterday afternoon, fully ½ point below Monday's closing rate and well below the equivalent rate on Deutsche-Mark deposits.

The weakening of the dollar on exchange markets may have discouraged investors on the dollar bond market, while the German market was marked by a further reduction in new issue coupons.

Deutsche Bank launched a DM 150m issue for the City of Kobe with a guarantee by Japan. The coupon of 8 per cent is the lowest seen in this market since February. The loan has a maturity of 10 years and the issue price is par.

It was well received in the grey market where the quote yesterday afternoon was less ½ bid. Secondary market prices in Germany were barely changed.

In the Canadian dollar sector Canadian Imperial Bank of Commerce is floating a C$60m five-year issue through Hambros Bank and CIBC Limited. The coupon is 11¾ per cent and the issue price is par.

Elsewhere, Union Bank of Switzerland has arranged a SwFr 20m private placement for Tsubakimoto Chain. The five-year issue is guaranteed by Mitsui Bank and has a coupon of 6 per cent.

Thailand seeks $325m credit

BY OUR EUROMARKETS STAFF

THAILAND IS to raise an eight-year Eurocredit of up to $325m, its largest ever single borrowing on the Euromarkets.

The Thai Ministry of Finance has asked five international banks to confirm their readiness to manage such an operation on the basis of a ¾ per cent margin over London interbank offered rate (Libor) throughout, with four years grace and a management fee of ⅜ per cent.

The banks will meet in Bangkok today to discuss the credit. Confirmation of their acceptance of the mandate is understood to be a formality, and the discussions are likely to concentrate on the allocation of roles in the management group.

The banks involved are BA Asia Limited, BT Asia Limited, Dresdner (Southeast Asia), LIB Finance (Hong Kong) and Manufacturers Hanover Asia.

Proceeds of the borrowing are to go to six state enterprises, with over half of the electricity generating authority of Thailand.

The $325m total is an upper limit for the transaction. It is thought likely that the loan managers will initially aim to raise $300m, increasing the amount later if the market proves receptive.

Thailand recently arranged a $100m, eight-year financing through Societe Generale. This bore a margin of ⅞ per cent and met some resistance in the market because banks believed the proceeds were earmarked for military purposes. The Thai authorities have established clearly that this is not the object of the current deal.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on June 10

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	93¾	94¼	−0⅛	+2	11.08
Australian Res. 9⅞ 84	30	96½	97⅛	−0⅛	+2½	10.54
Beneficial Fin. 9½ 87	100	94⅝	94⅞	−0½	+2¾	10.87
CECA Grad. Rate 12 86	100	99⅝	100⅛	−0⅜	+2⅝	11.96
CECA 11⅛ 90	50	100⅜	101	+0⅝	+2¼	11.49
CECA 11½ 88	100	102⅝	103⅛	+0⅜	+3¼	10.93
Canadian Pacific 9¾ 89	50	94½	95	−0⅛	+3	10.69
Carter Hawley 9¾ 86	50	94⅜	94⅞	0	+2⅛	11.01
Continental Grp. 9⅝ 86	100	95⅜	95⅞	+0⅛	+3⅞	10.63
Denmark 11¾ 90	100	101⅜	101⅞	+0⅛	+3	11.47
Dome Petroleum 13½ 92	50	104⅜	104⅞	+0⅛	+2⅛	12.71
EIB 11¾ 92	80	100½	101	−0⅛	+2¼	11.60
EIB 13¾ 90	100	110¼	110¾	0	+3⅛	11.88
Eksportfinans 11⅛ 87	50	101¼	101¾	+0⅞	+2½	10.89
Export Dv. Cpn. 9¾ 84	150	97⅝	98⅛	+0⅞	+2⅝	10.37
Export Dv. Cpn. 12¾ 87	100	107	107½	−0⅛	+2⅛	11.18
European Comm. 11 95	75	98⅞	99⅜	+0⅛	+2⅞	11.21
Federal Dev. Bk. 12¼ 85	75	105⅜	105⅞	−0⅛	+2½	10.71
Ford O/S Fin. 12⅜ 85	250	102⅛	102⅝	+0⅛	+2	11.95
George Weston 13½ 87	30	†102½	103	−0½	+2⅛	12.87
GTE Finance 9¾ 89	55	90⅞	91⅜	0	+4⅛	11.38
GMAC 9⅛ 86	100	93⅜	93⅞	−0⅛	+2	10.74
GMAC O/S Fin. 11 84	100	100⅜	101⅛	−0⅜	+2½	10.67
GMAC O/S Fin. 13⅜ 85	100	107½	108	+0⅛	+2⅜	11.79
Goodyear O/S 12½ 87	75	99⅜	99⅞	0	+1⅝	12.58
ICI Fin. Ned. 11 83	100	100⅜	101⅛	−0⅛	+1⅛	10.59
Kennecott Int. 9½ 86	100	88⅛	88⅝	−0½	+2⅛	12.34
McGraw 13½ 85	75	102½	103	−0⅛	+2⅛	12.69
Michelin 10 94	125	92½	92⅞	−0½	+5⅛	11.08
Nat. Dss. Telecm. 9½ 86	100	95½	96	−0⅛	+3⅛	10.49
New Brunswick 9¾ 94	75	89⅝	90⅛	−0⅜	+2⅜	11.19
Newfoundland 10 94	50	91½	92	+0⅜	+2⅛	11.19
Norway 9½ 84	150	97½	98	+0⅛	+2⅛	10.22
Norwest Ind. 13⅜ 87	50	101⅞	102⅜	+0⅞	+2⅜	13.15
Nova Scotia Pwr. 9¾ 89	50	92⅝	93	−0⅜	+1⅞	11.06
Roylease Ltd. 11¾ 85	50	101½	102	−0⅛	−0⅛	10.78
SNCF 12⅛ 85	50	106½	107	+0⅛	+2⅞	10.54
Statoil 9⅝ 89	100	94⅝	95⅛	+0⅛	+3⅛	10.51
Swed. Ex. Cred. 12½ 85	40	103¾	104¼	−0⅛	+1⅞	11.41
Sweden 9¾ 89	100	93⅝	94⅛	+0½	+2⅞	10.25
Sweden 9¾ 84	100	97⅜	98⅛	0	+2⅛	10.38
Warner-Lambert 9 84	100	96	96½	0	+2	10.17

Average price changes ... On day 0 on week +2½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Akzo 9 90	125	102¼	103	−0⅛	−0⅛	8.59
Asian Dev. Bank 10 90	200	108½	109¼	−0⅛	+0⅜	8.62
Australia 8⅞ 90	250	100⅞	101⅜	−0⅛	+0½	7.93
BFCE 7¾ 87	100	98¼	99	−0⅛	−0⅛	8.01
BFCE 8⅞ 95	100	98⅞	99⅛	+0⅛	+0½	8.27
Brazil 8 87	150	94½	95¼	−0⅜	−0⅜	9.00
CECA 7 91	150	91¾	92¼	−0⅛	+0⅛	8.13
Council of Eur. 7¾ 89	100	94⅛	94⅞	−0⅛	+0⅛	8.14
Denmark 7⅞ 86	100	97¾	98⅛	−0⅛	+0⅛	8.35
Denmark 8⅜ 92	100	98¾	99⅛	−0⅛	+0⅛	8.41
EEC 7⅞ 94	225	97¾	98¼	−0⅛	+0⅜	8.11
EIB 7½ 89	200	97¼	97¾	−0⅛	+1⅛	7.90
Finland Rep. of 8 86	150	98⅛	98⅞	+0⅛	+0½	[illegible]
Kobe, City of 7⅞ 89	150	95⅜	95⅞	−0⅜	−0⅛	7.81
Neder. Gasunie 8 86	100	100⅝	101⅛	−0⅛	−0⅛	7.78
Norway 7½ 85	250	98⅞	99⅝	−0⅛	+0½	7.86
OKB 7⅞ 88	100	95⅝	96⅛	−0⅛	+0⅜	8.03
Oslo, City of 8¾ 90	80	101¾	102¼	+0⅞	+0⅜	8.41
Sweden 9¾ 87	200	106⅜	106⅞	−0⅛	+1	8.44
World Bank 7¾ 91	400	97	97½	−0⅛	+0½	8.12
World Bank 7⅞ 90	250	97½	98½	−0⅛	+0½	8.15
World Bank 10 86	150	107⅝	108⅛	+0⅛	+1	8.22
World Bank 10 90	200	109⅝	110⅛	0	+1½	8.46

Average price changes... On day −0⅛ on week +0½

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	95⅜	95⅞	−0⅜	+2⅛	6.14
Aumar 5 89	60	†93	93½	−0⅜	0	5.98
Bergen, City of 4¾ 91	40	95½	96	−0⅞	+2¼	5.26
Bergen, City of 6 90	50	†103	103½	0	0	5.57
BNDE 5 89	75	87½	88	0	+0⅜	6.85
BMW Overseas 4¾ 91	100	92½	93	−0⅛	+0½	5.11
Buhrm'n-Tetterode 7 90	40	105⅝	106⅛	+0⅛	+0⅜	6.19
Caisse Nat. Tele. 4¾ 89	100	94⅞	95¼	0	+0⅜	5.07
CCCE 5⅜ 90	100	102½	103	0	−0⅛	5.37
Copenhagen 4½ 91	60	†90	90½	0	+0⅛	5.69
Council of Eur. 5 89	100	94½	95	−0½	−0½	5.73
EIB 4½ 91	100	93	93½	+0½	+1	5.32
EIB 4¾ 94	100	87⅜	87⅞	−0⅛	+0⅛	5.66
Elec. de France 4⅜ 89	100	†94½	95	−0⅛	+0⅜	5.11
GZB 4¾ 89	100	†92	92½	−0⅛	−0⅜	5.32
Hilti 4½ 91	35	†94	95	−0⅛	−0⅛	4.89
Int.-Amer. Dev. 4¼ 89	100	93½	94	−0⅛	+1	5.38
Int.-Amer. Dev. 7 90	80	105⅜	106⅛	−0½	−0⅛	6.17
Jutland Tele. 5½ 90	50	†100	101	0	−0⅛	5.43
Malaysia 5 89	80	†90	90½	0	−0⅛	6.42
Nippon Tel. & T. 4¾ 89	100	94⅝	95⅛	+0⅛	+0½	4.95
Nordic Bank 5 89	45	96	96½	−0½	−2	5.53
Norges Komm. 4⅜ 91	100	92¾	93¼	+0½	0	5.20
OKB 4⅛ 91	100	91¼	91¾	−0⅛	+0⅛	5.39
OKB 6 90	100	104	104½	0	+0⅞	5.43
Oslo, City of 4⅜ 91	100	90½	91	0	+0⅛	5.49
Shikoku El. Pwr. 4¾ 89	100	94⅜	94⅞	+0⅛	+0⅛	5.51
Steweag 4⅜ 91	60	†94	95	−1	−0⅜	5.42
Voest-Alpine 4¾ 89	90	96⅛	97	−0⅛	−0⅛	5.23
World Bank 4⅜ 89	100	96	96½	+0⅛	+0½	5.15
World Bank 4½ 89	150	92¼	92¾	0	+0⅛	5.42
World Bank 4⅝ 91	100	92	92½	−0⅛	−0⅛	5.56

Average price changes... On day −0⅛ on week +0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	91⅞	93⅛	0	+0⅜	8.28
Australia 6½ 88	20	88⅞	90⅛	+0⅛	+2	8.41
EIB 7⅛ 89	12	94⅝	96⅛	+1⅛	+2⅜	8.42
Finland 5.6 83	10	91⅝	92⅝	0	+0⅞	8.38
Finland 6.8 88	10	89⅛	90⅛	+0⅛	+0⅞	8.72

Average price changes... On day +0⅛ on week +1⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10¾ 86 C$	60	95⅜	96⅛	+1⅛	+2⅛	11.65
CIBC 13½ 85 C$	50	†104½	105	+0⅛	+1⅝	12.15
Cr. Foncier 10¾ 84 C$	30	†92½	93½	+0⅛	+1	12.56
Fst. Can. Inv. 10 84 C$	50	†94½	95	+0⅞	+1½	11.73
GMAC 12 85 C$	50	†98⅞	99⅞	−0⅛	+1⅝	12.14
Quebec 10¾ 86 C$	50	†93	95	+1	+0⅜	[illegible]
R. Bk. Canada 10 86 C$	40	94⅛	94⅞	+0⅛	+1⅞	[illegible]
R. Bk. Canada 10 94 C$	40	88⅛	88⅝	+0⅛	+0⅛	[illegible]
Tordom Cpn. 13⅛ 85 C$	30	†104⅛	105	+0⅛	+1⅞	[illegible]
M. Bk. Dnmk. 9 91 EUA	25	94½	95⅛	−0⅛	−0⅛	9.65
SOFTE 8⅞ 89 EUA	40	86⅜	87⅞	0	+0⅛	10.53
U. Bk. Nrwy. 9½ 90 EUA	18	97½	98	+0⅛	+0⅛	9.77
Algemene Bk. 8⅛ 84 Fl	75	97⅜	97⅞	−0⅛	0	9.00
Ned. Gasunie 8⅛ 84 Fl	50	98⅜	99	−0⅛	−0⅛	9.09
Ned. Middbk. 8⅛ 84 Fl	75	96	96½	0	0	9.45
Norway 8⅛ 84 Fl	100	96⅞	97⅜	−0⅛	−0⅛	9.21
Norway 8½ 84 Fl	100	97⅜	97⅞	−0⅛	+0⅛	8.99
Philips Lamps 8¾ 84 Fl	75	97⅞	98⅜	+0⅛	+0⅛	8.90
Air France 11 84 FFr	120	94½	95½	0	−0⅛	12.58
CECA 14½ 86 FFr	150	104½	105	0	+1½	13.03
Euratom 9½ 87 FFr	150	84½	85⅛	0	0	13.28
Finland 11 84 FFr	80	93⅜	94⅜	+0⅛	−0⅛	12.75
Finland 11½ 89 FFr	70	92¼	93	+0⅛	+0⅛	12.87
Gaz de France 11 84 FFr	150	94	94⅜	0	−0⅛	12.70
IBM France 11⅞ 84 FFr	120	97⅛	97⅝	+0⅛	+0⅛	12.62
Renault 9¾ 85 FFr	100	85⅞	86½	0	+0⅛	13.78
Saint-Gobain 9¾ 86 FFr	130	84½	85⅛	−0⅛	0	13.65
Solvay et Cie 9¾ 87 FFr	125	82⅝	83⅛	+0⅛	+0⅛	13.78
Beneficial Fin. 14¼ 90 £	20	98⅝	99⅛	−0⅛	+0⅛	14.49
Citicorp O/S 13½ 90 £	50	97⅝	98⅛	−0⅛	0	13.86
EIB 11½ 91 £	25	91	91⅝	−0⅛	+0⅛	[illegible]
Fin. for Ind. 12½ 89 £	30	96⅛	96⅞	−0½	+0⅛	13.15
Fin. for Ind. 14½ 88 £	20	101	101⅛	−0⅛	+1⅛	14.15
Gen. Elec. Co. 12¾ 89 £	50	96⅞	97⅜	−0⅛	−0⅛	13.08
Swed. Ex. Cr. 15⅛ 85 £	28	102⅛	103	−0⅛	+1⅛	14.42
Indonesia 8¾ 91 KD	7	†93	93⅛	0	0	9.77
Mitsubishi 7½ 84 KD	10	†92⅛	93	0	0	9.73
Norges Kom. 7¾ 89 KD	[illegible]	†93⅜	93⅞	0	0	8.55
Occidental 8¾ 91 KD	7	†90⅛	90⅝	0	0	9.89
Akzo 9¼ 87 LuxFr	500	92⅝	93⅜	0	−0⅛	10.59
Euratom 8 87 LuxFr	500	88	89	+0⅛	+1⅞	10.43
Euratom 9½ 89 LuxFr	500	97⅞	98⅛	+0⅛	+0⅛	10.09
[illegible] LuxFr	600	96⅛	97⅛	0	0	10.20
[illegible] LuxFr	500	96⅜	97⅜	+0⅛	0	10.37

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5¾ 87	0¼	97½	98⅛	2/7	15⅝	15.41
Banco di Roma Int. 8 87	0¼	100⅛	100⅝	26/10	15.31	15.26
Bank of Ireland 5¾ 89	†0¼	98⅛	98⅝	21/8	11.81	12.01
Bank of Tokyo 5¾ 89	†0½	98	98½	25/10	16.56	16.86
Barclays O/S Inv. 5 90	0¼	97¾	98¼	13/6	14⅛	14.54
Bergen Bk. A/S 6 89	†0¼	97⅛	97⅝	29/8	10	10.26
[illegible] Indo Suez 5¾ 89	0¼	98⅞	99⅜	11/7	14.69	14.82
Citicorp O/S F. 6 94	†0¼	98⅜	98⅞	8/6	18.81	19.07
Citicorp O/S F. 83	§0	99	99½	23/8	10.19	10.26
Citicorp O/S F. 84	§0	98⅜	98⅞	30/6	9.81	9.95
C. Itoh 5¼ 87	0¼	101	101½	18/9	19.44	19.26
Co-operative Bk. 6 86	0¼	98⅜	98⅞	15/11	11.44	11.60
Creditanstalt 5½ 91	†0¼	97½	98	14/6	18.44	18.89
[illegible] 5¾ 86	§0¼	101½	102	16/10	18⅛	17.81
[illegible] 5½ 89	†0¼	98⅛	98⅞	1/8	15⅛	15.46
Jugobanka 8 89	0⅞	90	92	23/11	11⅞	12.77
Ind. Bank Japan 5¼ 87	0¼	101⅛	101⅝	15/10	19⅛	[illegible]
LTCB Japan 5¼ 86	0¼	98⅜	98⅞	13/6	14⅛	14.46
LTCB Japan 5½ 89	0⅛	97⅞	98⅜	7/6	14.19	14.48
Mfrs. Han. O/S 5¼ 94	†0¼	97⅝	98⅛	31/8	9⅞	10.09
Midland Intl. Fin. 5 89	0¼	99⅞	100⅜	20/6	15	[illegible]
Midland Intl. Fin. 5¼ 92	0¼	98⅞	99⅜	5/12	10⅞	[illegible]
Nacional Fin. 6¼ 86	0¼	98⅜	98⅞	25/7	14.69	[illegible]
Nat. West. 5¾ 94	§0¼	101⅛	101⅝	11/10	18⅞	18.35
Nippon Credit 6¼ 86	0¼	97⅝	98⅛	12/7	14.44	14.75
Nippon Credit 5½ 87	†0⅛	97⅞	98⅜	6/8	14½	14.65
Royal Bk. Scot. 5½ 94	§0⅛	99⅜	99⅞	11/7	19⅛	[illegible]
Soc. C. de Bque. 6½ 87	0¼	101⅛	101⅞	3/10	20.06	19.74
Sogenal 5¾ 89	§0¼	98⅜	98⅞	13/7	14.44	[illegible]
Standard Chart. 5¼ 90	0⅛	101⅛	101⅝	6/9	17⅝	[illegible]
Sweden 8¼ 91	†0¼	97½	98	18/10	18⅝	[illegible]
Williams & Glyn 5¼ 91	0¼	100⅜	101½	14/8	18½	18.28
[illegible] 4⅞ 89 SF	0⅛	†83	85	18/6	6.88	[illegible]

Average price changes... on day 0 on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Aktbolag 7¾ 89	10/79	145	†116	117	0	[illegible]
Ajinomoto 7½ 95	2/80	818	106½	107½	+2½	[illegible]
Alco Int. Fin. 9¼ 94	1/80	40	91½	93	+0⅛	[illegible]
Apache 1. Fin. 8¾ 95	12/80	31.68	107	108⅛	−0⅛	[illegible]
Asahi Optical 7 94	11/79	605	98⅜	99⅜	−0⅛	[illegible]
Canon 6½ 94	8/79	570	110½	111½	−0⅛	[illegible]
Credit Suisse 4¾ 93	10/79	1325	101⅞	103⅞	−0⅛	[illegible]
Daiei Inc. 6½ 94	11/79	1020	96⅝	97⅝	+0⅛	[illegible]
DDKK 11 90	4/80	324	116⅝	117⅝	+0⅛	[illegible]
Dynelectron 9½ 95	8/80	12.22	†105½	106½	+0⅛	[illegible]
Enserch Fin. 9½ 94	7/80	30.25	107⅝	108½	−0⅛	[illegible]
LPC Internatnl. 8 89	9/79	23.33	†98½	100	+0⅛	[illegible]
Meidensha Elec. 7 94	12/79	210	99⅞	100⅞	+0⅛	12.18
Mitsubishi Cp. 6¾ 94	10/79	804	131	132	+0⅛	12.55
Nippon Seiko 7¾ 94	12/79	339	†113⅞	114⅛	+0⅛	2.22
Nitto Elec. Ind. 6 94	7/79	735	82	83	+0⅛	2.62
Toshiba Cpn. 7¼ 94	10/79	196	100⅛	101⅛	+0⅛	−1.81
Union Bk. Switz. 5 89	2/80	125	97½	98⅞	0	5.89
Fujitsu 5 84 DM	7/79	475	100⅛	101	+0⅛	8.56
Kansai Elec. 4 84 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available—previous day's price. † Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cpn. dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Expansion costs check profits at Michelin

BY TERRY DODSWORTH IN PARIS

HIGH RAW mterial costs and expenses arisirg from an ambitious overseas expansion programme are among the main reasons given by Michelin, the French tyre company, for a sharp fall in profits last year.

Consolidated net profits dropped by almost 13 per cent from FFr666m ($163m) to FFr598m. But Michelin argues in its report o shareholders that the benfits fom overseas growth will take sone time to appear. Meantime freign developments entail heavy expenditure which cannot be irmediately recouped.

With plas for another plant in Nova Sctia, Canada, to serve the North American market, Michelin's lesire for expansion in the U.S and Canada does not seem in th least blunted by its results las year, when turnover was pushd up from FFr 20.7bn to FFr 23.9bn.

In its report it stresses that the market situation was not particularly favourable. Apart from much higher raw material prices — a factor which fits Michelin less than some of its competitors because of its own rubber production—it complains vigorously of increased competition from Eastern Europe manufacturers' whose retail prices, it suggests, are based on entirely different production costs.

In addition, it says that consumers were in a much tighter cash position last year, thus restraining their purchases, and that the market was growing less swiftly than in 1978.

The company has been hit also by currency fluctuations, a problem which has been particularly acute for French groups with big operations in the U.S. during a period when the franc has been strong against the dollar.

Michelin's consolidated cash flow also fell last year to FFr2.4bn compared with FFr2.5bn in 1978. At the same time its long- and medium-term debt rose from FFr5.9bn to FFr6.5bn.

In a separate announcement, Michelin confirmed that its stake in Kleber-Colombes, the other large French tyre manufacturer which recently dissolved its links with Semperit of Austria, amounted to a little over 50 per cent. The group says that the consolidation of Kleber's losses, which have been extensive over the last few years, would not affect its present results because of previously made provisions

Move to rescue Spanish bank

BY ROBERT GRAHAM IN MADRID

SPAIN DEPOSIT guarantee fund has stepped in to support an ailing bank for the third time since its powers were enlarged three months ago. Agreement was reached yesterday to refloat the Catalan industrial bank, Banco Industrial del Mediterraneo (BIM).

BIM was absorbed last year by the Catalana group, the largest banking operation in Catalonia which is centred on Banca Catalana. The move was carried out with considerable assistance from the Bank of Spain and was designed to prevent the BIM from going into the so-called "bank hospital," the Corporacion Bancaria.

The rescue agreement involves a 50 per cent writedown of BIM's capital of Pta 2.09bn ($34m) and an effective write off of reserves of Pta 500m. Subsequently the capital will be expanded to Pta 3.5bn with a share issue. This will be underwritten by the guarantee fund. Catalana said yesterday that it expected to acquire 85 per cent of the new equity.

In addition the guarantee fund will provide unspecified fresh finance to secure doubtful debts and the writing down of existing BIM investments. Last year BIM made an operating loss of some Pta 600m, according to Catalana executives. But this excludes any provision for bad debts. Preparations are being made, with the aid of the Bank of Spain, for a special audit to determine the precise state of BIM's losses.

Banca Catalana executives said yesterday they were satisfied with the deal which promises to remove a burden from the group. The situation of BIM was particularly delicate because of the connection of the new head of the Catalan autonomous Government, Sr. Jordi Pujol, with Catalana. He was a former president and people associated with him and his family still run the Catalana group.

The enlarged deposit gauarantee fund has some Pta 12bn available. So far two other banks have made use of the fund, Lopez Quesada and Banco de Madrid—the latter being weighed down by another Catalan industrial bank, Cadesbank.

U.S. unit for Scandinavian banks

BY FAY GJESTER IN OSLO

FOUR OF Scandinavia's leading banks have agreed to establish jointly a new bank in New York if it is approved by U.S. and Scandinavian authorities. The bank as yet unnamed, is expected to start operations early next year.

Its managing director, not yet chosen, will probably be a U.S. citizen with wide banking experience.

The four backers are Christiania Bank og Kreditkasse of Norway (recently merged with Andresens Bank), Den Danske Bank of Denmark, PK-Banken of Sweden and Union Bank of Finland. Each will put up a quarter of the new bank's $40m share capital.

At a Press conference in Oslo yesterday Christiania Bank said the new consortium bank will improve the competitiveness of its backers by extending the range and scope of their services. It would also enable them to pursue international opportunities, "which can best be catered for out of a well-developed international financial centre."

It would also provide a dollar funding base to help cover dollar commitments of the participating banks. The main activities of the new bank will be "financing of international business in general and in particular the support of Scandinavian and American trade and the provision of assistance to customers contemplating investments on the American continent."

● Norpipe and Norpipe Petroleum UK, which operate pipelines from the Ekofisk field for gas to Emden, West Germany, and for oil to Teesside in the UK, and the Teesside terminal, reported combined turnover of NKr 2bn ($412m) in 1979, up 57 per cent on a year earlier. Net profits rose 32 per cent to NKr 157m.

The companies moved about 30m tonnes of oil equivalent though the pipelines last year, compared with 24.5m in 1978.

The Norpipe companies are owned 50-50 by Statoil, Norway's State oil company, and the Phillips Group.

Earnings drop at Svenska Handelsbanken

By Victor Kayfetz in Stockholm

SVENSKA Handelsanken reports January-April earnings of SKr 208m ($50m), down 30 per cent from SKr 295m in the same period of 1979 and 38 per cent from SKr 333m in September-December. The decline resulted almost equally from lower income and higher costs.

Despite a 17 per cent volume rise on a daily-average basis, net interest income fell nearly 16 per cent to SKr 407m compared with the first four months last year, but commission and other revenues rose, so that total income dropped only 8 per cent to SKr 569m. Overall costs climbed 5 per cent to SKr 361m.

SHB's placement margin, the difference between return on all investments and the average cost of liabilities, dropped from 2.96 per cent in January-April last year to 2.13 per cent. Among reasons were the bank's large holdings of fixed-interest bonds in a period of higher discount rates, the faster rise of deposit interest than discount rates and central bank cash quotas that for most of the first four months of 1980 stood at 8 per cent compared with 2 per cent throughout the corresponding period of 1979.

The cash quota was nevertheless cut to 2 per cent on April 14, releasing SKr 2.3bn, which SHB has used for higher-yielding investments.

Paribas expects to pay increased dividend

PARIS — Cie Financiere de Paris et des Pays-Bas, holding company of the Paribas banking and industrial group, expects to pay a higher dividend this year if net earnings pershare are at least equal to 1979's, shareholders were told at the annual general meeting.

The holding company had net profit of FFr 219.5m ($49.9m) in 1979 against FFr 192.4m a year earlier. Its net dividend of FFr 15 a share, against FFr 13.30 on 1978's results, amounts to total dividends of FFr 218.2m, the largest payout by a French corporation.

But before the holding company can raise its dividend this year, the group will have to offset the dilution of earnings caused by the absorption of the Pierrefitte-Auby chemicals group earlier this year, M. Pierre Moussa, Financierer de Paribas' president, said.

M. Moussa said Paribas' market capitalisation has reached FFr 3.8bn, making it the largest publicly-traded financial and banking institution on the Paris bourse and the sixth largest French public company.

He estimated the group's net assets at FFr 1.5bn.

The group, which is already present in 47 countries, intends to open nine more overseas units by the beginning of next year. AP-DJ.

Inflation hits Alitalia

BY OUR FINANCIAL STAFF

REVENUE INCREASES at Alitalia during the first quarter of 1980 have failed to keep pace with inflation, the Italian State-owned airline said yesterday.

First quarter capacity rose by 28.2 per cent and revenues were 68 per cent higher. But the upsurge represents recovery rather than growth since labour disputes paralysed Alitalia in February and March of 1979.

The company said higher fuel costs added L50bn ($60m) to its costs in the quarter. An Italian parliamentary committee is expected shortly to grant a 15 per cent rise in domestic air tariffs to help Alitalia recoup part of the additional costs.

The airline posted a net loss of nearly L3.8bn in 1979 compared with profit of L14.1bn a year earlier. Last year's deficit would have been L14.6bn but for a transfer from reserves.

A capital increase in November to L120bn is planned. A further rise to L240bn is likely by the end of 1982. Meanwhile Alitalia's medium and long term debt will have grown to L580bn.

Adelaide Steamship buys stake in Bruck

By James Forth in Sydney

ADELAIDE STEAMSHIP Company, one of the most acquisition-minded companies in Australia, have moved again this week, disclosing a 13.5 per cent shareholding in the Victorian textile group, Bruck (Aust.). At the same time more than 4 per cent of the capital of Adelaide Steamship was traded on the Sydney Exchange on Monday. The purchase prompted suggestions that Adelaide itself was on the receiving end of a market raid.

It was disclosed later that the buyer of the Adelaide parcel was Howard Smith, the diversified shipping and coal group. Smith already held about 9 per cent of Adelaide's capital and the purchase would have given it more than 13 per cent. Smith intends to build its holding to almost 20 per cent.

Adelaide announced that it had bought 1.49m shares in Bruck (including 351,747 from the broking firm, Potter Partners) which represented the shortfall from a recent rights issue by Bruck. An unnamed party had been nibbling at Bruck and on Monday the directors welcomed Adelaide as a major shareholder. They said that Adelaide had advised the board that its investment in Bruck was in accordance with its long term investment philosophy of acquiring significant interests in selected public companies. Adelaide has acquired many companies outright, but it has also built substantial holdings in others while retaining exchange listing.

Among the latter category are: Martin Wells; Luke Limited; Sidney Cooke; Clark Rubber; Robb and Brown; and Corinthian Industries. Adelaide did not comment on whether it planned further to increase its Bruck stake.

Overseas Corporation seeks preferable offer

BY OUR SYDNEY CORRESPONDENT

OVERSEAS Corporation (Australia) has called off talks aimed at finding a counter offer to the A$57m bid from McIlwraith-Davey Industries, but is now working on a "preferable alternative." The directors also disclosed an A$15.7m (U.S.$18m) revaluation of assets and forecast a 9 per cent increase in profit for the year to June 30, from A$5.7m to A$6.2m. After allowing for the 50 per cent share of the forecast profit of the aluminium manufacturer, Dowell (Australia) the earnings would rise to A$7m, or 16.2 cents a share.

The asset revaluation would give an underlying asset backing of A$1.70 for each Overseas share compared with the McIlwraith offer price of A$1.35 a share. Directors of Overseas said the land and buildings of the group had been assessed by independent experts

The hardware group, McIlwraith, announced last month that it would take all shares offered on the market within a one month period.

Before making its move, McIlwraith snapped up 20 per cent of the capital of Overseas and blocked its planned $A 865m merger with the meat and cold storage group, Metro Meat. Overseas directors responded by retaining the merchant bank, Australian United Corporation, to "review the possibilities." The Board described the offer as inadequate, and on May 25 said that talks were taking place which could lead to a new takeover offer.

Yesterday, the Board said that these discussions had been terminated but that some companies continued to express interest in making an offer. AUC had completed the examination of the company's existing capital structure and prospects for long term growth. A scheme had been proposed which would enable Overseas to utilise its enormous cash resources for the benefit of all shareholders, and some initial discussions had taken place.

The directors added that they were optimistic that Overseas could provide shareholders with a preferable alternative to the "totally inadequate" McIlwraith bid.

Listing sought by Supersol Properties

By L. Daniel in Tel Aviv

SUPERSOL PROPERTIES, a wholly owned subsidiary of Supersol, Israel's second largest supermarket chain which is traded over the counter in Montreal and Toronto—has submitted to the Tel Aviv stock exchange a draft prospectus for the issue of shares and options with a nominal value of I£65m (equivalent to $1.4m).

Supersol Properties was formed last year to engage in the acquisition of properties for leasing (mainly, but not exclusively to the parent company). The new capital will enable it to expand its activities and give it the options of engaging in new construction.

Supersol, the parent, is owned by 1,300 stockholders in Canada, the U.S., South America and Israel, but is not traded on the Tel Aviv exchange.

Argaman Industries to make debenture issue

BY OUR TEL AVIV CORRESPONDENT

ARGAMAN INDUSTRIES, Israel's leading company in the field of dyeing, finishing and printing which also controls a weaving mill and has two subsidiaries producing machinery and electronic control systems for the textile industry, has published a prospectus for the issue of $3m nominal value of floating rate registered debentures 1983-90.

The interest rate is to be determined half-yearly in advance, at half of one per cent per annum above that paid on May 30 and September 30 repsectively on local residents foreign currency accounts, or failing this, at 1 per cent below the London interbank offered rate. The maximum tax rate on the interest will be 35 per cent, whereas interest on foreign currency accounts can reach 60 per cent according to the holder's income.

The proceeds of the issue are to be used inter alia to set up a bed-linen plant using coloured materials produced by the weaving mill, and to expand the production facilities in the group's metal and electronics division.

JAPANESE NEWS

Kubota doubles rate of sales growth

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

KUTOTA, JAPAN'S diversified manufacturer of farm machinery pipes and household equipment, increased its parent company turnover during the twelve months ending in mid-April at almost twice the rate of the previous year. Sales rose by 8.3 per cent to Y523.2bn ($2.42bn), compared with a 4.2 per cent rate of increase in 1978-79. Profits before tax were up by 8.7 per cent to Y39.4bn and after-tax profits showed an 11 per cent rise to Y22.01bn ($102m).

Kutota is the largest Japanese tractor manufacturer with an estimated 35 per cent share of the local market for farm machinery. Tractors and other farm equipment account for 37 per cent of the company's turnover, but four other divisions turn out castings, pipes, environmental equipment, and home utilities.

The five divisions turned in widely differing performances with tractor sales growing at a modest 5.7 per cent (owing to reduced government incentives for farmers) and sales by the environmental division falling. The fastest growing divisions were home utilities, up 21 per cent, and castings, up 20 per cent.

Despite stagnant sales of tractors in the U.S., the company's main overseas market, Kubota managed a 16 per cent increase in exports during the year, lifting the proportion of total sales from 11.4 per cent to just over 12 per cent. The strongest overseas performance was in the pipe division which increased turnover by 64 per cent mainly on the strength of Middle East orders. Kubota expects exports to continue to rise faster than home sales, perhaps reaching 13 per cent of turnover in fiscal 1980.

The company expects turnover to reach Y580bn during the current fiscal year, with faster growth in the second half resulting from planned price increases. Operating profits may be squeezed during the first half by increases in utility rates but should hit Y40bn for the year as a whole. Net income is forecast at Y22bn, unchanged from 1979-80.

Kubota is paying a special dividend of Y5.00 per share to celebrate the company's 90th anniversary. The dividend consists of the normal year-end payment of Y3.75, and an additional payment of Y1.25.

* * *

MARUI AND CO., the Japanese stores concern, plans an increase in dividends for the current year, to January, 1981, to commemorate its fiftieth anniversary.

In the last fiscal year, the company reported an increase of 10.4 per cent in net income to Y8bn ($36.7m), a parent company basis, and a sales rise of 9.2 per cent to Y216.1bn.

For the current year, the company is looking for a rise in net income of 2.4 per cent, and a gain in sales of 8.7 per cent, Mr Tadao Aoi, president of Marui, said in London.

Since the beginning of the current year, consumer spending in Japan had shown a very solid uptrend. This had resulted from the fact that prices of consumer goods had been stable, and secondly, from the growing trend towards replacement purchases of consumer durables.

Since the beginning of the year, Masui's rate of growth in sales had been high. The company's sales in February were 14.5 per cent above the same month last year, and growth rates on the same basis for March and April were 12.8 per cent and 8.2 per cent, respectively. The forecasts for net income were lower than for net sales because of the increases in public utility charges, such as electric power rates, the increases in taxes and the rise in interest payments.

Volkskas rights oversubscribed by 15 per cent

By Jim Jones in Johannesburg

VOLKSKAS, the South African banking group, has announced that its 6.46m share rights issue to raise R30m ($38.7m) has been oversubscribed by 15 per cent.

Funds raised by the issue are earmarked for increasing the group's stake in various industrial subsidiaries and to provide them with additional development and working capital. The issue is Volkskas' third capital raising exercise in five years. In August, 1978 the group raised R15m through a private placing of preference shares, while R13.5m was raised through a rights issue of ordinary shares in September 1975.

Early Dow index rise of 5.7

OIL ISSUES rose afresh but recently strong Precious Metal shares turned easier as the general Wall Street stock market tended to improve in another busy session yesterday morning.

News around mid-session of an apparent pricing arrangement at the OPEC meeting in Algeria centred on a price of $32 a barrel, although excluding Saudi Arabia, was helping to lift the stock market further. Analysts noted that the Oils tend to benefit from OPEC price increases. Gold bullion was hit by profit-taking, causing *Precious Metal* issues to retreat.

The Dow Jones Industrial Average was 5.71 firmer at 866.38 at 1 pm, while the NYSE All Common Index added 55 cents at $65.49 and advances held a nine-to-five lead over declines. Turnover expanded to 29.31m shares from the previous day's level at 1 pm of 25.31m.

The credit market rally slowed after action by the Federal Reserve in the market, but analysts said that falling Bond yields continue to make returns on shares more attractive. Larry Wachtel, of Bache Halsey Stuart Shieds, said the total return on Common stocks is so appealing that the market will not retreat.

In the Oil group, active Gulf Oil rose ½ to $29⅝, Exxon 1⅛ to $66⅞, Cities Service 1⅞ to $37½, Standard Oil (Indiana) $1 to $56⅞, Phillips Petroleum 1⅞ to $49½ and Getty ½ to $80⅞. Getty has begun its offer for ERC at $97 a share. ERC added ⅝ at $91⅞ bid in over-the-counter trading.

Adolph Coors gained $1 to $14⅞ bid. It has found gas in Colorado. However, Alaska Interstate lost 1⅞ to $44⅛. It is selling its stake in Roy M. Huffington to Huffington for $54m in cash and notes.

Among Precious Metal issues, ASA shed $1 to $46, Dome Mines 1⅞ to $77⅞, Homestake Mining 2⅞ to $58, Hecla 1⅞ to $34⅞ and Callahan Mining 1½ to $24⅞.

THE AMERICAN SE Market Value Index gained 1.83 to 285.72 at 1 pm. Volume 3.18m shares (3.45m).

Canada

Markets became easier-inclined in very active early dealings. The Toronto Composite index shed 4.3 to 2023.3 at mid-day, while Golds lost 125.3 to 3590.3 and Metals and Minerals 11.8 to 1898.6, but Oil and Gas put on 16.2 to 4,490.8. In Montreal, Banks receded 1.71 to 359.35 and Papers 1.33 to 177.35.

Tokyo

Stock prices were generally weaker amid continuing concern over the illness of Prime Minister Masayoshi Ohira and its possible effect on the political situation. The OPEC oil pricing meeting in Algiers also kept investors cautious, and trading volume was a modest 220m shares although an improvement on Monday's very low 140m.

The Nikkei-Dow Jones Average receded 39.80 more to 6,783.24 and the Tokyo S.E. index 1.18 to 463.93.

Oils continued to retreat sharply, Nippon Oil falling Y100 to Y2,030, Arabian Oil Y110 to Y3,180 and Teikoku Oil Y40 to Y1,340.

Among broadly lower Trading Houses, Mitsubishi declined Y11 to Y672, C. Itoh Y8 to Y426 and *Marubeni Y6 to Y362.*

Speculatives fluctuated widely before closing on mixed note. Okuma Machinery lost Y16 to Y445 and Kyosan Y6 to Y341, but Nippon Signal gained Y25 to Y558 and Miyaji Iron Works Y30 to Y1,890.

Elsewhere, Mitsui Mining shed Y30 to Y830, Canon Y11 to Y640 and Heiwa Real Estate Y12 to Y591, but Pioneer Electronic resisted the downtrend in Light Electricals and improved Y20 more to Y1,870.

There was some revival of interest in Steels and a number of other large-capital issues towards the close. MHI were finally Y2 up at Y179.

Australia

A bout of profit-taking pushed the recently strong Oil and Mining sectors down yesterday, with some sharp falls occurring. Some leaders on the Industrials boards with resources interests were also hard hit, but the Industrials group as a whole showed a firm bias.

The Sydney All Ordinaries index receded 7.79 to 869.69 and the Metals and Minerals index 103.40 to 5,485.62.

Among the Oils, Santos fell 80 cents to A$13.60, Woodside 11 cents to A$3.04, Hartogen 15 cents to A$4.10 and Lennard Oil 10 cents to A$1.48.

In the Golds sector, Central Norseman relinquished 50 cents to A$9.00, Emperor 20 cents to A$2.00, Poseidon 20 cents to A$3.60, G. M. Kalgoorlie 20 cents to A$7.00 and North Kalgoorlie 8 cents to A$1.60.

Elsewhere in Minings, CRA declined 10 cents to A$5.50, Western Mining 14 cents to A$4.85 and MIM 12 cents to A$4.38.

BHP lost 30 cents to A$14.65, CSR 18 cents to A$6.50 and Coal Miner Oakbridge 20 cents to A$3.90, but ICI Australia hardened 5 cents to A$2.30.

Germany

Prices tended to drift easier on a lack of fresh buying orders after the recent firmer trend.

Mixed prices on a very quiet Bond market also removed a stimulus to share trading. Market observers had been saying that the stock market has been carried along by recent bullish trading in Bonds. Also depressing prices were reports that the West German printers union might ask for a supplementary wage increase to that already agreed for 1980 because of inflation.

Volkswagen lost DM 2.20 and BMW DM 1.90 among Motors, while Kaufhof shed DM 1.80 in Stores and Mannesmann DM 2.50 in Machine Manufacturers.

Paris

Bourse prices were narrowly mixed in light trading with operators hesitant ahead of the outcome of the OPEC meeting in Algiers.

Johannesburg

The downturn in the Bullion price caused Gold shares to react from their recent strong levels before partially recovering on Overseas buying interest.

Kloof finished 50 cents down at R33.50, but East Driefontein were finally a net 50 cents higher at R29.75.

Durban Deep lost 150 cents at R34.50 and Buffels 10 cents at R19.10, while East Rand closed unaltered, all following dividend announcements.

Mining Financials, Coppers and Platinums were mainly easier, while Industrials tended to lose ground.

Hong Kong

In another heavy turnover, the market made fresh headway yesterday before profit-taking trimmed the gains. The Hang Seng index closed net 5.89 higher at 955.94.

Sun Hung Kai Properties rose 20 cents to HK$10.6. Swire Pacific "A" 25 cents to HK$ 7.85 and Cross Harbour 40 cents to HK$ 11.80.

Tai Cheung put on 5 cents to HK$ 3.875 on expectations of good annual results being announced next week.

Hong Kong Land firmed 20 cents to HK$ 11.80, Hong Kong Electric 10 cents to HK$ 6.10, Anderson Asia 17.5 cents to HK$ 4.70 and GI Cement 25 cents to HK$ 48.50.

Closing prices for North America were not available for this edition.

CANADA

Stock	June 9	June 6
Abitibi	19⅝	19⅝
Agnico Eagle	14½	13¾
Alcan Alumn	32	31¾
Algoma Steel	31½	31½
Asbestos	34	35
Bk Montreal	27⅝	27½
Bk Nova Scotia	29⅞	29⅞
Basic Resources	13	13
Bell Canada	20¾	21⅛
Bow Valley	16¾	16¾
BP Canada	43	43
Brascan A	26⅞	27
Brinco	7⅝	7¾
B.C. Forest	13¼	13¼
Cadillac Fairy	19½	20½
Camflow Mines	22¾	21½
Can Cement	12⅝	12⅝
Can NW Lands	20½	20¼
Can Packers	30	30
Can Perm Mtg	18½	18⅝
Can Trustco	23½	23½
Can Imp Bank	27½	27½
Cdn Inds	25¾	25¾
Cdn Pacific	41⅝	41¾
Cdn Pacific Ent.	22¼	22
Cdn Tire	26¼	26¼
Cherokee Res	11¾	11⅝
Chieftain	31⅛	31⅛
Cominco	57¾	56¼
Cons Bathst A	15⅛	15⅛
Coseka Res	21¼	21⅛
Costain	9¼	9¼
Daon Devel	7½	7½
Denison Mines	41¼	40¾
Dome Mines	91	89
Dome Petroleum	77	77¼
Dom Bridge	17	17⅛
DomFoundries A	34⅝	34⅛
Dom Stores	18	18⅛
Domtar	24¼	23⅞
Falcon Nickel	106	106½
Genstar	29⅛	29⅛
Gt-West Life	145	141
Gulf Canada	33¾	33⅛
Gulfstream Res	6.25	6.12
Hawk Sid. Can	19¾	19¾
Hollinger Ags. A	40	40
Hudson Bay Mng	26	26
Hudson's Bay	25⅝	25⅝
do. Oil & Gas	31¾	32
Husky Oil	14	13¾
IAC	11⅝	11¾
Imasco	48	48½
Imp Oil A	39½	39⅜
Inco	25⅞	25⅝
Indal	13⅜	13½
Interpr. Pipe	17⅝	17¼
Kaiser Res	28¾	29¼
Mac. Bloedel	28⅝	28⅝
Marks & Spencer	7¾	7¾
Massey Ferg	7⅞	7¾
McIntyre Mines	83½	82½
Merland Explor	9½	9⅝
Mitel Corp	24¾	25⅝
Moore Corp	36½	36⅝
Mountain State	11⅛	11⅛
Nat.Sea Prods A	12	12
Noranda Mines	25¼	24⅞
Noreen Energy	34	34⅜
Nthn. Telecom	39¾	39½
Oakwood Pet	18½	18¾
Omni	2.00	2.00
Pacific Cooper	3.60	3.60
Pan.Can Petrol	72½	74
Patino	30¾	30¾
Placer Dev	20½	19⅝
Power Corp.	15⅝	16⅛
Quebec Strgn	5.75	5.50
Ranger Oil	33¼	32⅛
Reed Paper B Pf	10	10
Reed Stenhs A	9⅛	9⅝
Rio Algom	32⅛	31¾
Royal Bank	48¾	48⅛
Royal Trustco A	15⅝	15½
Sceptre Res	13	13
Seagram	65	65⅛
Shell can Oil	32½	32⅝
Steel of Can A	29	28½
Teck B	15¼	15⅜
Texaco Canada	81¾	81¾
Thomson News A	16⅛	15⅞
Toronto Dom Bk	30¾	30½
Transcan Pipe	23	23
Trans-Mntn Oil A	10⅝	12⅛
Utd Siscoe Mines	16⅞	16⅝
Walker(Hrm)C.H.	28⅜	28⅞
Warrior Res	4.55	4.55
Westcoast Trans	13⅞	14⅛
Weston (Geo)	24	24

AUSTRIA

June 10	Price %	+ or —
Creditanstalt	336	....
Landerbank	336	....
Perlmooser	268	....
Semperit	104	....
Steyr Daimler	233	—5
Veitscher Mag	345	....

BELGIUM/LUXEMBOURG

June 10	Price Frs.	+ or —
ARBED	1,910	....
Banq Ind & Lux	5,050	+50
Bekaert B	2,000	....
Ciment CBR	950	—16
Cockerill	262	—1
EBES	1,910	+10
Electrobel	5,950	....
Fabrique Nat	3,150	—10
GB.Inno	2,375	—30
GBL (Brux L)	1,360	+8
Gevaert	1,170	+28
Hoboken	2,620	—75
Intercom	1,525	—5
Kredietbank	6,830	....
Pan Holding	3,600	....

BELGIUM (continued)

June 10	Price Frs.	+ or —
Petrofina	5,270	+30
Royale Belge	5,580	+20
Soc Gen Banq	2,485	....
Soc Gen Belge	1,454	+4
Sofina	3,280	—5
Solvay	2,710	+30
Traction Elect.	2,540	—30
UCB	1,342	+2
Union Miniere	744	—14
Vieille Mont	1,404	+2

DENMARK

June 10	Price Kroner	+ or —
Andelsbanken	108	....
Baltica Skand	288.5	—0.75
Burm & Wain	54	—2
Cop Handelsbnk.	102.75	....
D Sukkerfab	225.75	....
Danske Bank	100.75	....
East Asiatic	104.00	....
Finansbanken	143.25	+0.25
Forenede Brygg.	234.75	+0.75
Forende Dampsk	178.5	+0.75
GNT Hldg	166.5	....
Nord Kabel	141	+1
Novo Ind.	260	....
Papirfabrikker	105.00	....
Privatbanken	105.50	....
Provinsbanken	105	....
Smidth (FL)	261	....
S Berendsen	357	—2
Superfos	98	+1

FRANCE

June 10	Price Frs.	+ or —
Emprunt 4½% 1975	2,120	—55
Emprunt 7% 1973	7,310	....
CNE 3%	4,130	+5
Afrique Occid.	355.5	—1.50
Air Liquide	562	+8
Aquitaine	1,385	—5
Au Printemps	119	—0.50
BIC	517	+12
Banq' Rothschild	158.2	—0.6
Bouygues	509	—12
BSN Gervais	973	—6
Carrefour	1,815	—3
Club Mediter	400	+7
CGE	389	+2
CSF (Thomson)	499	—6
Cie Bancaire	321	—4
Cie Gen Eaux	432	+1
Cofimeg	153	+1.5
CGF	170	....
Creusot Loire	71.4	+0.2
CFP	257	+0.5
DNEL	34.1	+0.3
Dumez	775	+10
Ferodo	348.8	+3.9
Gen. Occidental	303	+1
Imetal	107.2	—1.8
Lafarge	259	+2.9
L'Oreal	669	+4
Legrand	1,692	+2
Machines Bull	56.4	+0.4
Matra	9,350	—10
Michelin B	795	....
Moet-Hennessy	557	+6
Moulinex	83.5	+0.5
Paribas	230	+2
Pechiney	111	+0.8
Pernod Ricard	313.9	+0.4
Perrier	234.8	—2.2
Peugeot-Cit	224	....
Poclain	226	—3.5
Radiotech	300.1	....
Redoute	450	—0.6
Rhone-Poulenc	128	+1
Roussel-Uclaf	263.9	+0.4
St-Gobain	135.5	+1.3
Skis Rossignol	655	+5
Suez	290	+1
Telemech Elect.	900	—2
Thomson Brandt	214.9	+1.9

GERMANY

June 10	Price Dm.	+ or —
AEG-Telef	73.8	—0.3
Allianz Vers	382.5	+2.5
BASF	143.8	—0.2
BAYER	123.6	....
Bayer-Hypo	218	—1.5
Bayer-Verein	275xd	—2.0
BHF-Bank	181	—2.0
BMW	161.6	—1.9
Brown Boveri	294.9	+0.4
Commerzbank	162.6	—1.0
Conti Gummi	53.5	—0.5
Daimler Benz	265.5	+2.0
Degussa	237.0	—0.5
Demag	124.5	+0.5
D'sche Babcock	217.2	+0.2
Deutsche Bank	259.0	—0.8
DU Schult	148	+1
Dresdner Bank	179.0xd	....
Dyck Zement	120.5	—2.5
GHH	208.5	+0.3
Hapag Lloyd	67	....
Hoechst	115.2xd	—0.5
Hoesch	25.4	—0.1
Holzmann (P)	396	—3
Horten	135	—1
Kali und Salz	156.5	—1.0
Karstadt	230.0	—1
Kaufhof	186.2	—1.8
KHD	209.5	—1.9
Kloeckner	40.6	....
Krupp	58	+1
Linde	386.5xd	....
Lufthansa	73.5	—2.5
MAN	184.2	—1.8
Mannesmann	113.5	—2.5
Mercedes Hlg	218.5	—1.0
Metallgesell	255	—2
Muench Ruck	605	+5
Preussag	210	—0.5
Rhein West Elect	175.5	—0.7
Rosenthal	240	....
Schering	187	+1
Siemens	264.3xr	—0.2
Thyssen	65.2	—0.3
Varta	148.0	+1.9
Veba	141.6	—1.2
Verein-West	263	....
Volkswagen	178.0	—2.2

APPOINTMENTS

Rank Xerox managing director

Mr. Paul A. Allaire, at present deputy managing director of RANK XEROX, has been appointed managing director. On July 1 he succeeds **Mr. William F. Glavin**, who has held that post since 1974 and who takes up the position of executive vice president and senior staff officer at Xerox Corporation headquarters in Stamford, Connecticut, U.S. Mr. Allaire joined Xerox Corporation in the U.S. in 1966 as a financial analyst. From 1970 to 1973 he was assigned to Rank Xerox in London as director of financial planning and control. From 1973 to 1975 he returned to Xerox corporate headquarters, latterly as director, international staff. Returning to the UK in 1975, Mr. Allaire was elected to the Board of Rank Xerox and became chief staff officer. He was made deputy managing director of Rank Xerox in November, 1979.

★

Canadian Imperial Bank of *Commerce, Toronto, has made* the following appointments within its wholly owned subsidiary, CIBC LIMITED, of London. **Mr. Rainer Plentl** becomes managing director. Mr. Plentl's most recent assignment with CIBC was manager, Paris branch. ***Mr. James B. Clark** has been* made deputy managing director. Mr. Clark's career includes senior appointments with American Express International Banking Corporation and Nesbitt Thomson Securities.

Mr. Plentl is not managing director of the Canadian Imperial Bank of Commerce as reported yesterday.

★

Mr. Bill Snell, chairman of Edwin Snell, has been elected president 1980-81 of the BRITISH PRINTING INDUSTRIES FEDERATION. **Lord Ebbisham**, a director of Williams Lea and Co. has been re-elected honorary treasurer, and **Mr. Peter Stephenson**, chairman of T. Stephenson and Sons, is assistant honorary treasurer. No *vice-presidents have* been appointed but Lord Ebbisham and Mr. Stephenson are to assist the president in the duties of vice-president as necessary. **Mr. Stanley Clarke**, immediate past president 1979-80, is to continue in that office for the ensuing year in place of **Mr. Peter Medcalf**, retiring president.

★

Mr. R. T. S. Macpherson is to become chairman of the council of the LONDON CHAMBER OF COMMERCE AND INDUSTRY. He will succeed **Mr. D. J. King** of King and Co., whose two year term of office is now at an end. Mr. Macpherson is deputy chairman and managing director of Mallinson-Denny, director Societe Financiere J. Lalanne, France and director Scottish Timber Products. The new deputy chairman of the council will be **Mr. Geoffrey Nichols**, chairman and managing director of Rotaprint. Mr. Nichols is chairman of the UK/Korea Economic Co-operation Group and of the BOTB advisory groups for trade with Korea and Japan.

China's taxes for foreign venturers

BY RICHARD D. POMP AND OLIVER OLDMAN*

THE INITIAL euphoria accompanying the new Chinese Joint Venture Law (JVL) has now subsided.

Although the JVL is long on principles, it is short on details. Presumably, those details will be forthcoming as the Chinese are drafting laws governing patents, foreign exchange, contracts, and taxation, and are negotiating specific arrangements such as concession-type agreements.

While the business community eagerly awaits these developments, it may come as a surprise to learn that the Chinese have had a tax system as such since the 1950s. Indeed, at least nine taxes currently exist in China. Foreigners have had little contact with these taxes in the past and it is unclear what potential liabilities may be lurking. Although some of the nine taxes will have modest impact on foreign business (for example, the *slaughter tax or the salt tax*), at least two taxes—the consolidated industrial and commercial tax and the income tax—may have serious implications for foreign investors.

The consolidated tax can be *described generally as a broad*-based turnover tax or as a combination of cascading sales and excise taxes. It is imposed at each stage of production when goods or services are transferred from entity to entity. The tax is also levied at the retail level when the goods or services are sold to the ultimate consumer. No credit is provided for any tax previously paid on the purchase of goods or services.

Over 100 categories of industrial and agricultural products are subject to the consolidated tax. The rates applicable to these items range from 1.5 per cent to 69 per cent. More than 40 different rates exist within this range, and a 5 per cent catch-all rate applies to any industrial product that is not specifically listed in the law. Services are subject to four tax rates, ranging from 2.5 per cent to 7 per cent. A 3 per cent rate applies to commercial retailing, while local governments may *levy a 1 per cent surtax* on the consolidated tax.

The cascading effect of the tax is not necessarily avoided by firms that are vertically integrated. The consolidated tax applies to certain items produced by an enterprise even if used by the same enterprise in further production. The same rule is applied to products manufactured by an industrial enterprise and used by it for capital construction.

The extent to which the consolidated tax will be applied to particular types of foreign investment remains uncertain. For example, will the tax apply to the importation of technology by a joint venture? Will the Government levy a tax on the interest received by foreign creditors on loans made to such ventures? Will foreign equipment contributed in a compensation trade agreement be taxable? Will goods brought into China for processing be treated as having been imported?

The Chinese have not yet reached a position on these and similar questions. Apparently, foreign investors are attempting to clarify in their contracts and agreements with the Chinese the extent to which the consoli*dated tax will apply*. In the negotiation of some joint venture agreement, the Chinese have been willing to consider granting an exemption from the consolidated tax, even though the JVL provides for no such exemption.

The second of the two major taxes of concern for foreign investors is the industrial and commercial income tax. All industrial and commercial profit-making enterprises within China are subject to the income tax, except for state enterprises.

Income is taxed under a set of progressive rates, ranging from 5.75 per cent to 34.5 per cent. The 34.5 per cent rate is reached at the equivalent of £2,600. In addition, a surtax is imposed ranging from 10 per cent to 100 per cent. Some persons have been told that the amount of the surtax varies from region to region and from enterprise to enterprise, though others have been told that the surtax is imposed uniformly throughout China at a rate of 60 per cent.

Even though the existing income tax appears to cover joint ventures, it is clearly inadequate for dealing with the problems raised by foreign investment. The law is far too sketchy to be of much guidance in taxing sophisticated business transactions.

The Chinese realise that their country's strong attractions for investors should make the role of tax incentives less important than for smaller countries

The JVL refers to a new joint venture income tax as well as a personal income tax, although neither has yet been enacted. Even once enacted, however, the new joint venture income tax might not apply to all types of foreign investment, since the JVL provides for a reduction of, or an exemption from, income tax under two circumstances. First, a joint venture equipped with up-to-date technology by world standards may apply for a reduction of, or exemption from income tax for up to the first three profit-making years. Second, a foreign participant reinvesting *any part of its share of its* net profit may apply for a refund of a part of the income tax paid.

At present, the Chinese do not appear to have determined the extent to which they are willing to grant these tax incentives. Initially, some foreign businessmen advised the Chinese to grant these tax incentives rather liberally. The Chinese were also aware that incentives were used by Indonesia, South Korea, Hong Kong, and Taiwan.

More recently, however, the Chinese have learned that many observers question the efficiency and the effectiveness of tax incentives. The Chinese also realise that their country's strong, natural attraction for investors from abroad should make the role of tax incentives less important than it is in

No clear policy in the use of tax incentives provided by the JVL has yet emerged. Most of the joint venture agreements now being negotiated contain a request for complete exemption from income taxation. If these requests for total exemption are denied, foreign investors undoubtedly will attempt to reach agreements with the Chinese on the manner in which and the extent to which their joint ventures will be subject to income taxation.

What changes can we expect in the future? Our impression is that the Chinese perceive that the taxation of joint ventures is their most immediate need. The participation of foreigners in the ownership of Chinese corporations will require the Chinese to adopt a somewhat "modern" corporate income tax. A rate of 35-45 per cent, comparable to that of other countries, might be expected. This corporate income tax will presumably apply to branch offices. It might also include a withholding tax on dividends or other distributions to foreigners.

This approach to taxing joint ventures would be roughly comparable to that used by socialist countries in Eastern Europe. If the Chinese were to adopt such an approach, other countries might consider entering into a tax treaty with China, similar to treaties existing with Eastern Europe. One inducement to negotiate such a tax treaty with China would be to obtain a reduction in the Chinese withholding tax on *dividends distributed to foreign* corporations. There is no reason to suppose that the Chinese would be unwilling to enter into such a treaty, though China might prefer the UN guidelines for a tax treaty between developed and *developing* countries rather than the OECD model that is preferred by the developed countries.

The enactment of the JVL also looks forward to a modern income-tax on individuals. Once the more pressing need for a modern corporate tax has been satisfied, it is reasonable to expect attention to focus next on designing an income-tax applicable to foreign individuals resident in China.

Speculating about the future role of the consolidated industrial and commercial tax is more difficult. The Chinese are aware that the cascading or pyramiding feature of the tax can produce a substantial bur*den on certain types of foreign* investment. They also understand that most countries will not grant the foreign tax credit for the consolidated tax. Nonetheless, the JVL provides an exemption only from the income-tax, not from the consolidated tax. It is understood, however, that the cascading or pyramiding feature of the consolidated tax is to be re-evaluated.

Although the Chinese have studied Value Added Tax, which provides a credit for prior taxes paid and thus eliminates cascading, no change appears imminent. Moreover, most of the rates in the consolidated tax have existed for about 30 years and have been built into the state-controlled price structure. Consequently, changes in the consolidated tax involve fundamental changes in the economic system. No wonder, therefore, that these difficult tax decisions are likely to be made slowly and perhaps on a venture-by-venture basis.

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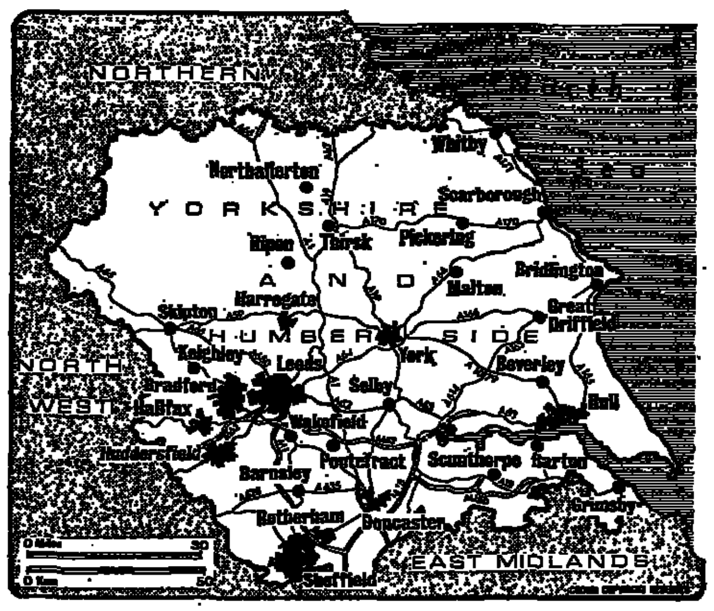
FINANCIAL TIMES SURVEY

Wednesday June 11 1980

Yorkshire and Humberside

Within a few years, 50,000 tons of coal a day will be mined from the new Selby field. But this does not alleviate short term problems which the region faces with the rest of Britain. However, tourism is being developed and the area is well placed to take advantage of growing trade and investment links with the Continent.



Energy centre of England

By Rhys David

THE ENERGY - PRODUCING centre of England is how Yorkshire and Humberside likes to see itself — *a region fortunate* enough to be sitting on one of the most essential of modern raw materials and possessed of a citizenry able to take full advantage of it.

It is a claim based not on oil but on good *old-fashioned coal*, large new quantities of which have been discovered in Yorkshire in the past decade and are due to be brought to the surface from the new Selby coalfied within the next few years. Some 50,000 tonnes of coal a day will be emerging from the Selby field, which is costing more than £600m to develop and will yield over a 25-year period 250m tonnes. Known reserves in the area are 10 times as great, however, so that Yorkshire is likely to regain Britain's biggest coal-producing region well into the next century.

The destination for much of the coal from Selby and the other older coal-mining areas in South and West Yorkshire is the electricity industry — again strongly represented throughout the region and a major contributor to the power used in other parts of Britain as well. Selby in particular will feed the Central Electricity Generating Board's major new development at Drax, where the existing power station is being doubled in size. Elsewhere in the region, Humberside is a reception point for gas from the fields in the southern part of the North Sea and an important centre for the oil-based petrochemical industry.

This energy wealth is for Yorkshire the buttress which over the long-term will ensure both its continued prosperity and a growing importance to the UK economy as a whole. It has also occurred to local politicians that it offers the area a potentially strong bargaining card to be used in the battle to secure a fairer distribution of wealth between it and the more prosperous South. "In return for providing the energy raw materials we will want to be sure we receive the resources necessary to deal with the *environmental, social and other* problems that we have inherited or will be creating," the leader of one of the area's local authorities points out.

But while Yorkshire sees Selby and associated developments as its energy card, the prospects of future gain are not *at present helping to protect* the area from the serious short-term problems which it is experiencing along with all other parts of Britain. Nor has the relatively well diversified industrial base of Yorkshire and Humberside been of much help at a time when high interest rates, a strong pound, increased EEC competition, recession-hit markets worldwide and growing international protectionism are *affecting virtually all industry* at the same time.

On the Humber the number of jobs dependent on the deep-sea fishing industry has fallen from 14,000 as recently as 10 years ago to fewer than 5,000 *as a result of the loss of fishing* grounds off Iceland and Norway and increased competition from EEC countries, many of them believed to be fishing beyond the strict quotas laid down for catches.

Bradford, Huddersfield and a number of other West Yorkshire towns have been similarly affected by a sharp decline in wool textiles. Employment in the industry has gone down by 10,000 in the past year to around 60,000 as a result of greatly increased penetration of the UK market by imported clothing. This in turn has led to a major reduction in employment in the clothing industry itself, much of it concentrated in Leeds.

Sheffield too has been seriously hit by the problems of two of its principal sectors—steel and cutlery.

In steel the privately-owned companies specialising in stainless, tool, high-speed and other alloy steels have been struggling with weak market demand in the UK since the 1974 steel industry recession and are also having to contend with cheap imports from France, W. Germany, Italy, Austria, Sweden, Spain, Japan, Brazil and Eastern Europe. In the publicly-owned sector, the British Steel Corporation is faced with the task of rebuilding customer confidence following the three-month strike earlier this year.

In cutlery some 90 per cent of the market for stainless steel knives, forks and spoons has been captured by importers, which has forced the local industry to concentrate almost entirely on higher-priced items.

Other industries throughout Yorkshire and Humberside are also being affected by the UK's loss of competitiveness across a broad field of products in domestic and overseas markets. Though the region has no motor vehicle production, it does have a number of companies engaged in the supply of components and these have been affected by the loss to imports of more than half the UK motor market. BL itself has had to abandon plans to redevelop, at a cost of £25m, its aluminium foundries in Leeds.

Again because of the weak overall state of the UK economy the rate of inward investment into the area has been slow and the gap between jobs lost and jobs created has been growing. Yet in trying to persuade new industry to come and settle, most of the region will be able from 1982 to offer only a narrower range of investment incentives following the Government's re-drawing of development area *boundaries*. The abolition of the Yorkshire and Humberside Economic Planning Council, together with the other regional councils, has also removed one of the voices able to communicate with Government the needs and reactions of the area.

The result inevitably has been to place the onus for securing economic regeneration much more squarely on the shoulders of the local authorities, and each of the four county councils covering the region, together with their constituent districts, *has been investigating possible* new initiatives aimed at influencing the pattern of economic development. Thus South Yorkshire has been active in the development of industrial estates, while on Humberside the availability of very large quantities of land on the Humber estuary is being offered as an inducement for major petrochemical plant development.

This inclined shaft, at Selby Coalfield's Gascoigne Wood mine, will carry coal to the surface by conveyor

In West Yorkshire the county has put its own resources behind an action committee aimed at linking all the various *bodies concerned with the problems* of the wool and clothing industries. It is also hoping to attract EEC funds for its scheme for textile area regeneration (STAR), the framework through which it hopes aid for improving the environment and stimulating new employment opportunities can be channelled.

In North Yorkshire much of the effort is concentrated on strengthening the existing tourism potential of the area, which includes in York one of the UK's principal tourist attractions.

The vacuum created by the disbanding of the Economic Planning Council is also enabling the Standing Conference of County Councils in the region to develop its role further. Even though, as might be expected, there are very considerable differences in a region embracing the North Yorks Moors and the Sheffield steel industry, *the Bronte country and the* Humber ports, the Standing Conference has also found a number of areas of common interest where it has proved possible to consider issues and make decisions based on the wider interest of Yorkshire and Humberside as a whole.

Thus the predominantly rural North Yorkshire county is now having to come to grips with major mining development as a result of Selby, and will have to face inivironmental and other problems already familiar in South and West Yorkshire. Communications is another area where there is clearly scope for a co-ordinated approach, as also is waste disposal. A joint study is being undertaken to see whether waste generated in coal-mining areas could not be disposed of in Humberside, *where it might be used to* prevent coastal erosion.

The region is at the crossroads of the UK motorway network, and well positioned through the Humber to take advantage of growing trade and investment links with the Continent. The very deep involvement of its industry in overseas trade—dating back in the case of wool textiles for well over 100 years—has encouraged a number of foreign *banks to establish northern* offices in Leeds, including the Banque Nationale de Paris.

Leeds has also proved to be an attractive centre for merchant banks such as Hill Samuel and N. M. Rothschild, both of which are among those offering a range of services from the city. One of the few surviving regional banks in Britain—the Yorkshire Bank—is also headquartered in Leeds.

The building society movement, which owes its origins to the growth of industry and housing in the last century in the textile towns of the North, also remains a major employer in Yorkshire. Five of the top 20 UK building societies in terms of assets are based in the region, including the biggest of all, the Halifax.

Through Leeds/Bradford air port, *the region is also integra*ted into the European air network.

The region would dearly like to start building on the strengths that do exist before the decline in older industries, such as textiles, goes any further. Whether this will be possible is going to depend on the length and severity of the present recession and the Government's own economic strategy. For Yorkshire that is sadly something it can "do nowt about."

CONTENTS

YORKSHIRE AND HUMBERSIDE II

Textile industry faces paradox

YORKSHIRE'S WOOL textile industry, as the recent report of its export corporation points out, finds itself placed—and not for the first tme—in a paradoxical situation.

On the one hand, exports last year showed a further modest advance over the 1978 record, reaching a total of £409m, and have again this year been performing well. The industry, for a long time strong in Middle East and Far East markets, has begun to make bigger inroads in Europe, with the volume of both woollen and worsted exports to France (as well as the value) showing a firm advance last year. Sales of woollens to the U.S. are also being well sustained despite high tariffs and there have been significant increases in recent years in the sales of worsteds to Canada.

On the other, while exports are a continuing source of strength the industry—as public statements by a number of its leaders have made clear—is very concerned at the continued erosion of its domestic base. The then chairman of the Wool Textile Delegation, Mr. Tom Hibbert, warned last autumn that there was mounting *disillusionment* within the industry with the EEC, which was not taking enough steps, he argued, to protect textiles from unfair competition from low-cost producers.

The EEC's Commissioner for Industry, Viscount Davignon, was persuaded to visit Yorkshire in April to be shown the extent to which the industry had—in accordance with all the good advice it has received — re-equipped and modernised. At one stop he was asked to view an audio-visual presentation intended to demonstrate how the industry has nevertheless, continued to contract. Job losses in the past year have totalled more than 10,000, and import penetration of the UK market for woollen and worsted cloth has increased from 22 per cent in 1975 to 45 per cent last year.

The biggest problem in woollen cloth is presented by Italy, which in Yorkshire is regarded as just another low-cost producer. The Italians, it is claimed, organise their production in such a way as to avoid the social charges, taxes and other overheads which fall on other EEC producers, but repeated attempts by the UK wool textile industry to persuade Brussels that this represents a case for action by the EEC have proved unsuccessful.

No strategy

The UK Government has also come in for its fair share of industry criticism for the havoc being caused in the home market. Mr. Barry Spencer, president of the Confederation of British Wool Textiles, the new pan-industry body set up to represent the wool textile case, claimed recently that while the Government had well-defined financial policies it had no strategy to help British industry sustain itself against the shattering effects of those policies. "An exchange rate policy which makes exporting harder and importing easier and a monetary policy which depresses home demand and makes the cost of holding stock exhorbitant are together a recipe for disaster," he warned.

The industry's unhappiness about present policies and their effect in terms of mill closures is also felt very strongly by the unions. The National Union of Dyers and Bleachers has followed up a call at its conference last year for nationalisation of the sector with a demand this year for UK withdrawal from the EEC. "Workers who have spent a lifetime in the textile industry are being cast on the scrap-heap of unemployment with little regard for their loyalty and no apparent concern for the social consequences." Mr. L. Herd, president of the union, told the conference last month.

The polymer plant operating floor at ICI Fibres' Wilton works, where Terylene yarns are produced.

But while the industry is likely to continue with its effort to secure the changes it wants in EEC and Government policies, it has also been reminded again this year that its own approach needs to be constantly examined. The Wool Textile Economic Development Committee (EDC) recently pointed out—on the basis of a study carried out by its consultants—that buyers on the Continent, while anxious to purchase more British cloth and reduce their dependence on the Italians, were nevertheless critical of the range of products on offer. In particular, UK mills were felt to be too conservative in terms of colour and design. Potential buyers also claimed that UK mills concentrated too much on traditional men's clothes at the top end of the market, neglecting women's wear and fancy fashions.

The recommendations of the report have been largely accepted by the industry and plans have been laid for manufacturers and designers from leading companies to come together on a seasonal basis to decide upon a UK theme which individual mills could interpret in their own way but which would still provide coherence in the presentation of UK fabrics at international fairs. An annual British Wool Fabric Fair is another idea currently being pursued.

The EDC has also suggested that the UK industry might have much to learn from the Italian approach to marketing fabrics—a method which relies on a system of marketing men, or *impannatori*, who co-ordinate the activities of small manufacturers. The *impannatori*, according to the report, carry out market research, translate market requirements into design concepts, decide on style and quality, buy the materials, commission the manufacturers to do the work and then market the finished fabric throughout Europe. The system is highly attuned to fashion and, the EDC claims, has enabled the Italians to operate very flexibly and to innovate with an assurance the UK industry lacks.

European approach

A more European approach, much of the industry now recognises, is needed and could help create the large home market which the industry claims it needs if it is to achieve the necessary economies of scale. "There is an opportunity here which we must try to develop by designing and promoting products for the home market along lines which are acceptable to other members of the EEC," Mr. Barry Spencer remarked recently.

The industry's principal concern is that the pressure on it this year—from higher interest rates, rising imports, the strong pound and the deepening world recession—will result in further capacity and jobs being lost before the changes that are needed have taken place. Yorkshire's wool textile industry—like so much of the rest of the textile industry—is entering perhaps its most crucial race yet against time.

Rhys David

Steelmen hope for brighter future

SHEFFIELD HAS just won the title of "A City in Bloom." This is an award for the best floral display in a town centre. "I understand our winning has caused at least 44 heart attacks in Harrogate," says Mr. Michael Francis, industrial development officer. When this was quoted a couple of hours later to an unemployed steelworker he was unimpressed. "Flowers are about all that's bloomin' i' Sheffield these days," he said.

The fortunes of Sheffield hinge on steel and its allied industries. And a chill wind has blown for years in those industries—once they employed 60 per cent of the city's labour force. Now the figure is down to 45 per cent.

"Yes," said Mr. John S. Pennington, managing director of the new Yorkshire and Humberside division of the British Steel Corporation. "Steel has shed 1,100 jobs a year for the past 12 years. In Sheffield we are coming down to 3m tons of manned capacity."

The division is housed in handsome headquarters in Sheffield's neighbouring town of Rotherham. It stands just opposite the famous Templeborough rolling mill where £23m is being spent on new billet casting plant, a consoling sight for officials inside headquarters as they try to fight back against all the industry's troubles.

Nobody in Sheffield wants to talk much about the recent strike. The attitude is: "It's over now. Let's salvage what we can." And nobody, not even the most entrenched reactionary, pretends that labour relations are the only problem in the industry. Workers around the pubs wonder where the MacGregor axe may fall, but still manage to keep cheerful.

Mr. Pennington is no pessimist, but he makes no attempt to hide the industry's problems. Another problem facing him is the massive rise in electricity costs which is imminent. "That is going to put up our costs by 30 per cent in an average year," he said. "Just think what that means—£11m just for one division."

He emphasises the international nature of the problem. "We have got processes here in Sheffield better than anything in Europe," he says. We have sold in Europe—to the multinationals and the French and German car-makers, and we have closely supported our home motor accessory companies.

"The problem now is the strength of sterling. The Sheffield steel industry could live with a strong pound or rising inflation, but not both together. We have a very productive workforce in this division and good management. Given the right conditions, there is no reason why things shouldn't improve."

Mr. Pennington's confidence was echoed by Mr. Francis. "The steel industry is fighting back," he said, "and as heavy industry runs down we're attracting new industries into the town, but like all modern, highly automated industries, they don't provide anything like the number of jobs that have been lost."

In Sheffield, as in many cities, you will find steelworkers who can't get jobs while their wives probably can. Mr. Francis said one of the main switches in the local economy in recent years has been the growing number of vacancies for women. Like other cities, it is searching for service industries, knowing full well that the heavy industries will never again employ the labour forces of past years.

Interest

Manpower Services is setting up an office in Sheffield, and is providing about 300 jobs. The Midland Bank has opened a huge office in the city, and a diversity of companies has shown interest in the recently-developed factory sites along the River Don.

The city council plans to spend £1m in 12 months to boost job opportunities — £100,000 of it on industrial and commercial promotion overseas. A consortium has been formed with the Chamber of Commerce and local industry to push the city during visits to overseas trade fairs. It has been successful in Sweden and Germany and a civic delegation was sent to California.

But the council point out: "Of course, Sheffield is still the City of Steel. We would not have it otherwise. It is our intention to diversify only to provide alternative forms of employment for sons and daughters who no longer wish to follow their parents into the factories and mills made famous for the legend, 'Made in Sheffield'."

In the Hallam Tower Hotel at Broomhill, three miles outside the centre, the whole of one wall of the restaurant is decorated with reproductions of old cutlery boxes. One company announces itself as "Cutler to the King of England and all the potentates of the world." The world has gone. "But never mind," said a local businessman over his gin and tonic. "We still make 50 per cent of the world's razor blades."

Alan Forrest

The heat treatment plant for stainless steel plates at the BSC Stainless works, Shepcoate Lane, Sheffield

Motorway seen as key to prosperity

SOUTH HUMBERSIDE still does not seem to have digested the fact that it was carved off Lincolnshire in 1974 and countified with a bigger lump of Yorkshire across the Humber estuary—but that does not mean to say that it is actually suffering from indigestion. Indeed there is a certain serenity about the area and the locals will tell you that it is a good place to live.

It embraces the steel of Scunthorpe; the chemical complexes, including Flixborough, sited on or close to the south bank of the Humber; Grimsby, still top of the league in Britain's declining fishing industry and also the UK capital of the frozen food industry; another hoping-to-become more important deep-sea port, Immingham; and plenty of rich agricultural land of north Lincolnshire.

South Humberside has its share of ambitious plans for development. In truth they have not advanced greatly of late, but the area is keeping its fingers crossed, expecting to ride out the present economic storm without too many setbacks, and is optimistic about its medium and long-term future.

The key to a more prosperous future is not seen to be the opening of the grand Humber Bridge—whenever that much belated event might actually happen—although it will have a powerful unifying influence on this split-seamed county. Much *more important, it is felt, is the* extension of the M180 from about two miles east of Brigg, just short of Humberside airport, to Immingham, listed as top priority in last week's White Paper, and Grimsby, promised by 1983.

For too long the area has been disadvantaged by not being linked to the national motorway network. Now Scunthorpe is beginning to enjoy the fruits of the first section of the M180, which joins the north-south M18 near Thorne, and Grimsby and Immingham are expectantly awaiting confirmation at the moment that the extension will go ahead for completion by 1983, and will not be postponed because of national economy cuts. Those ports will then be able to take better advantage of geography by increased trade with northern Europe.

My choice of hors d'oeuvres at a Grimsby hotel, "Fisherman's Platter," tasty though it was, it seemed to typify the decline of that town's tradi*tional industry—not one of the* four piscine ingredients was fresh-landed. Two were tinned, one was frozen and the cockles and muscles came from a large jar!

However, it is precisely because Grimsby is a port that it has development area status, for which it would not qualify on grounds of local unemployment, now 7.2 per cent and rising. Food freezers Ross have just closed a sea factory with the loss of 400 jobs, and Findus is due to close a cold store with the loss of 100 more. A modest increase in part-time work at Findus has resulted from the success of a new line, the French bread pizza, whose assembly is largely a manual task.

Realising that the climate this year is not exactly the best for attracting new industry, Grimsby is emphasising to *existing industry that it, too,* is eligible for grants, for extensions, although the rate is to be cut from 20 per cent to 15 per cent from August 1. It also has *its eye* on Eurogrants.

Grimsby is also keeping a close watch on a piece of legislation that has been published in draft form, the Local Government Planning and Land (No. 2) Bill. For it is short of industrial land (more of it falls in Cleethorpes, whose area surrounds Grimsby's on all sides). It is not too happy with the way the British Docks Transport Board (BDTB) is allowing a lot of space to be used for the storage of Volkswagens and other imported cars. This is not a labour-intensive activity, and Grimsby hopes that the BDTB will see the wisdom of economising on storage space and releasing some land to the authority for uses that will help create more jobs.

Grimsby's morale has been boosted by its soccer club's winning the Third Division cham*pionship, and a vigorous* housing renewal programme is being pursued.

Nearby deep-water port Immingham, which comes within *Cleethorpes Council's* boundaries, is thriving, with Fisons, Courtualds and Laporte complexes needing ample water for cooling purposes, which the Humber provides. There is plenty of scope for expansion, and this looks to be a port with a big future.

Purposeful

Scunthorpe, a modern slumless industrial town with well-schemed roads, has its problems but is facing them purposefully. *British Steel's fierce pruning,* plus consequential losses of 500 jobs at Redpath Engineering and 300 at Santon underground iron-ore mine and Normanby Park coke oven will mean a three-year loss of some 4,600 jobs by March, 1981.

The council is having success with its policy of providing small industrial units, *of between 1,000 and 2,500 sq.* feet in the main. These are being taken up with some regularity for such work as making jeans and angle brackets —the latter an example of "privatisation" of work that formerly might have been done in-house at steel plants. There is plenty of land ready—and likely to be needed—to continue providing for small new industry.

But Scunthorpe is not neglecting the lobbying. A deputation has already been to Whitehall to see Lord Trenchard, Minister of State, Department of Industry, to plead against its loss of intermediate status for development aid on the grounds that the decision was taken before the current financial year's expected loss of 2,686 steel jobs was known, and local Euro-MP Bob Battersby is setting up a three-man visit to *Brussels to seek* an EEC grant.

Immediate prospects for South Humberside are not bright—but they are no gloomier than those of the rest of the country as a whole. There is overall confidence that the 3,000 acres available for industrial development will be taken up in the 1980s and that the area will gain significantly in prosperity—the map says so.

James French

Fishing failure casts shadow over Hull

"I'M AFRAID we're just one part of the whole Euromess," said Mr. Richard Kemp, Hull's assistant director of industrial relations. He was talking about the fishing industry, which is a sore point to every Hullensian at the moment.

Only a few days before a large crowd of sightseers had assembled at the fish dock. Why? Because a trawler had landed. That was something Hull took in its stride in the old days but now it is such a rare happening that the tourists turn out. "As a fishing port, *we're dead," said one old* trawlerman.

Of course, Mr. Kemp hastens to point out that fishing accounts for only about 8 per cent of the city's labour force, and so the decline is not a disaster in terms of jobs.

But fishing has always given the city its touch of romance. It was the great deep-sea fishing port. The whole of the famous Hessle Road district grew up around it, a kind of garish, boisterous East End Yorkshire-style. Now that district will die. Other Yorkshire and Humberside ports are feeling the pinch too, notably Grimsby, just across the Humber.

Even the inshore ports like *Scarborough and Bridlington* are not doing so well as in recent years when the decline of the deep-sea trade gave them a temporary boost. Now, as Mr. Kemp says, with talk of 200-mile limits just about everywhere is inshore.

Four years ago Hull had 78 trawlers; now it has about 25. Moreover, the alternatives to Hull's deep-sea trade have not worked out so well as expected.

Nothing right

There was the great pursuit of blue whiting off the west coast of Scotland. But unfortunately the British like white fish, and have been encouraged to do so by the White Fish Authority. Mackerel-fishing plans did not work out too well, either. *Nothing has* seemed to go right for Hull's fishermen.

"There is no doubt that membership of the EEC has been a disaster for the fishing industry," Mr. Kemp says. "Had we not been a member, we could have come to some real working arrangement with Norway and Canada. It's amazing to think that it is only 18 years ago the first freezer trawler, the Lord Nelson, *came to Hull and after only 18* years the freezer trawler is dead so far as Hull is concerned."

But hope is not entirely dead. The council has been assured by the Docks Board that it has no intention of closing the fish dock at the moment.

Hull Fishing Vessel Owners went into liquidation some time ago. But the council is involved in talks at present in an attempt to form some kind of co-operative with the bobbers (dockers who land fish) and, with some form of Government help, to buy the vessel owners *body back from the receiver.*

Whatever happens to the industry day to day, Hull is determined to remain a centre of fishing know-how. The Col*lege of Further Education is* building up one of the world's main centres for studying the science and technology of fishing and this work will continue.

Chats around the city produce an amazing range of views. "It was a smelly, mucky job, any road" is one comonly held opinion. but more realistic people refuse to play down the effect the death of the industry will have on the job situation.

Poor redundancy

Some point out that in all the threatened fishing ports, as well as Hull, the decline could provide a new kind of executive unemployment. There are senior officers of ships, now in their mid-50s, who would be pretty wel unemployable at their old level and who, because of the peculiar economics of the industry, get nothing like the *redundancy settlements made* by shore-based industries.

Industrial development officials are quick toem phasise that outside the fishing scene the city's economy is in reasonable health. The port last year handled 4½m tonnes of general cargo and a new £10m berth is open. "We may be losing but we've got Mr. Sheen, Cherry Blossom, Elastoplast and Nivea Cream," said one optimist.

*Hull has a diversity of indus*tries. Its biggest single employer is British Aerospace, with 5,000 making components for the Hawk, the Harrier and the Airbus. It has a huge Northern Foods centre and eight operating divisions of Reckitt and Colman.

But the fishing failure has cast a shadow over the city. In one pub a disconsolate trawlerman produced a brand new exercise book, a compass and a brand new pen. "That's my kit for going back to school," he said. "Yes, back to school at 38. I was a fish handler on a freezer ship and I'm being retrained for deck work. But is anybody sure there's even going to be a deck to work on?"

Even the Gainsborough, Hull's marvellous old fish and chip restaurant, has turned itself into an ordinary self-service restaurant, selling most other things besides fish and chips. Its walls, decorated with pictures of almost every kind of edible fish in the world complete with descriptions and sea of origin, look rather sad these *days.*

Let the last word go to Mr. Kemp. "Here was a highly efficient, highly-organised and effective hunting industry and it has just been completely undermined by international bureaucracy."

Alan Forrest

Unloading a trawler at Hull

Region presses for influx of tourists

ONLY A few years ago the idea that anyone, when asked where he was spending a few days' holiday, might answer "Halifax" would have made even a loyal Yorkshireman choke over his pint of Tetley's bitter. But if the efforts of the Yorkshire and Humberside Tourist Board are as successful as they promise, a lot of towns not usually associated with tourism in that part of the world will be getting into the business.

Guidebook

The region is, of course, famed for its mills, steelworks and engineerin gfactories. But it also has handsome wide open spaces, rolling farmland, lovely dales and a coastline which, for sandy beaches and cliff scenery, is unrivalled in Britain.

The Board's guidebook reels off facts and figures showing the hugeness of the holiday region—5,000 square miles taking in two national parks; 100 miles of coastline with 600 ft cliffs; Roman, Viking and Norman remains; grand hotels and camping sites.

All these areas are within easy reach of the industrial towns with their rapid communications and improving hotel facilities. They are already busy throughout the week with business conferences and the board's main object is to encourage the visiting businessmen to put down his brief-case, linger longer and see a little more of the region — and even perhaps stay for a real holiday later on.

Mr. W. J. Chapman, the board's development services manager, trots out impressive statistics to support the argument. Sheffield, for instance, ideally positioned for trips to the coast and into the Derbyshire hills, has a 72 per cent hotel bed occupancy rate over the year, higher even than York, the city everybody wants to visit. Harrogate, with its new conference centre opening shortly, is also getting a new Holiday Inn to add to the town's present total of 2,000 hotel bedrooms.

In Leeds tourism is already a £28m-a-year business, and although this is mostly from businessmen, it also includes shoppers from Holland and Scandinavia. Even Scupthorpe, not particularly famed for its waters or its night life, manages to fill 63 per cent of its hotel accommodation over the year.

Mr. Chapman and his staff are staunch salesmen of their region's attractions. The board is based at York, itself a showpiece city, attracting more visitors in a season than even Stratford-on-Avon and only half-an-hour from the coast. Scarborough, the most handsome of the Yorkshire resorts, has recently taken on a new lease of life with the acquisition of the Grand Hotel by Butlins — even if some of the more conservative townspeople consider this a rate worse than death for the great old hotel that has housed Prime Ministers and poets in the past.

Another boost to the business has been the popularity of the James Herriot Yorkshire "vet" *series on television. The* series has been a great success in the U.S.—particularly in the farming States—and a York hotelier told me: "Now we're getting Americans asking "How do we get to Garrowby?" (the market town featured in the series). We send them to Thirsk, but if they want the atmosphere any of the dales will do."

Moorland air

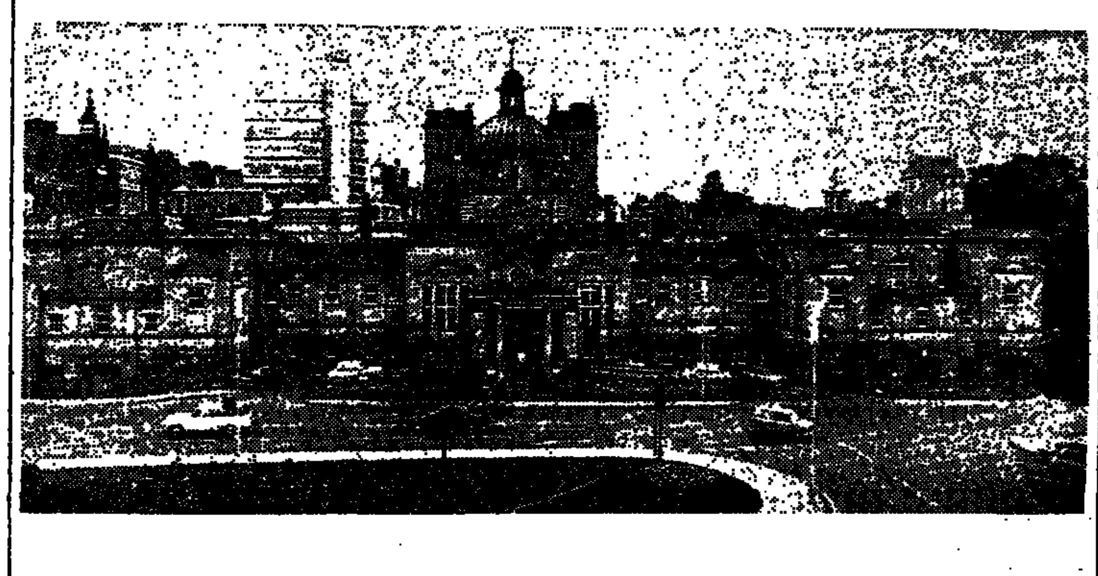
Over in the west county, Haworth, where the Brontes lived on the edge of the moors, attracts 2m visitors a year. These vary from day trippers who just want to breathe in the moorland air to earnest young American post-graduate students writing lofty theses and wanting to walk in the steps of Heathcliffe and Cathy.

The Board is at present campaigning to attract more investment in self-catering accommodation in the county. Although there are many caravan parks, holiday homes and camping sites, there is room for more. Officials point out that the attraction is not only to companies in the catering field. Individuals wanting a week-end place in which to unwind cannot go wrong in Yorkshire, especially in view of the lower property prices.

On my visit on a sunny afternoon in May Scarborough was just limbering up for the season. The Royal Hotel, now restored to its former glory at a cost of over £1m looked across the square at its rival, The Grand, which stood ready for the invasion of Butlineers. In York it already sounded to me like the Tower of Babel as Japanese photographed the Minster and Americans found everything "quaint."

The Board is confident it can hold and develop its business and, as people in the region point out, the industrial side of the economy has suffered such a shock in recent years that tourism is badly needed to replace some of those lost jobs.

A.F.



Fourteenth century houses in The Shambles, York, and (below) the Royal Baths at Harrogate

Portakabin plans a new enterprise

IN THE middle of the Libyan desert, a film director shouts "Cut" and the crew and the star, Anthony Quinn, disperse to a portable village for lunch and a swim in the pool.

At Taplow, in Buckinghamshire, newborn babies are spending their first days in a portable nursery unit attached to a local hospital.

Meanwhile at Buckingham Palace, police are watching the tradesman's entrance from a portable police station.

All these stories have one thing in a common, a flourishing go-ahead company called Portakabin, based just outside York. It manufactures portable accommodation units and in its 20 years of existence has taken on the whole world.

The original idea was that of Mr. Donald Shepherd, head of the Shepherd Construction group, a York-based company in the business of traditional buildings. At first the portable units were simply sold for use as site offices in the building industry, but as design and production improved, so did their scope, and the 30,000 Portakabin units now in use all over the world include offices, computer centres, public houses, canteens, banks and even living quarters for lighthousemen.

Mr. Piers Shepherd, a director of the company and grandson of the founder, proudly shows visitors round the company's headquarters, set in a green spot a few miles from the city centre, and completely built from the company's own portable units.

Portakabin is one of the showpieces of the Yorkshire and Humberside industrial scene. And even now, in the generally doubtful economic climate, it is talking of expansion. A new division has been formed called Portahome—"Portahome brings the advantage of instant accommodation to domestic living," the slogan goes.

COMPANY PROFILE

Mr. Paul Knocker is the head of the new division. The idea is to provide homes cheaper than those produced by traditional building methods. The company realises there are bridges to cross —the British preference for traditional building, questions of planning permission and so on. But it believes it will eventually be on a winner.

Mr. Knocker says: "The speed and ease of the whole operation is important, both to developers and buyers. And because the units are completely fitted out, they can be occupied within hours of arrival on site. Also, with spiralling energy prices, the remarkably effective all-round insulation of these homes should result in very low fuel bills."

The company's headquarters now has a Portahome village showing a selection of the living units, tastefully furnished—furniture would be extra, of course, but the company would probably advise on what was most suitable. At the moment Mr. Knocker's thoughts lean towards holiday villages and other self-catering units rather than individual householders.

"For example," he says, "think of the number of pubs with huge car parks that could install, say half-a-dozen units, and do a whole new business in bed and breakfasts."

In the meantime, the other work goes on. Production resources include extensive woodwork machine shops, metal fabrication facilities which include forming, welding, shot-blasting of steel and aluminium components and a complete fitting out service.

Portakabin's "Xporta" units are specially designed for remote areas overseas where skilled building labour is not often available. They are shipped in a packing case. The four connection plates which keep the pack compressed during transit have integral craneage points for lifting the roof. Unskilled workers can complete the building within two hours of the packing case being delivered on the site. It is, as one of Portakabin's design team says, much easier than a Leggo set.

The company has won the Queen's Award for Industry and has recently been made the subject of a film—one of a series called The Best of British, which will be shown at main cinemas.

A.F.

These bedroom and bathroom units could, says Portakabin, enable pubs to enter the bed and breakfast trade

Recovery in UK land prices

By Our Commodities Staff

ENGLISH FARM land prices staged a dramatic recovery last month according to provisional figures published by the Ministry of Agriculture yesterday.

The average price of vacant possession land changing hands in the three months ended April was £4,205 a hectare. This was nearly £400 more than in the January/March period and not all that far below the £4,278 a hectare record reached in the January/March quarter of 1979. But the Ministry warned that the April rise should be viewed with caution because it will be subject to revision as more sales are reported.

The land price index (1973=100) rose from 192 to 219 compared with a peak of 222 in the final quarter of last year.

The sample used to calculate the Ministry figures has been expanded by the inclusion of data collected by the Country Landowners' Association, which previously published separate land price figures.

EEC Commission cuts butter export refunds

BY MARGARET VAN HATTEM IN BRUSSELS

THE EEC Commission, in an attempt to save money pending approval of the 1980 Community budget, yesterday cut export refunds for butter and skimmed milk powder by 40 per cent.

Subsidised sales of these products, both within the EEC and on world markets, absorb over 40 per cent of the Community's farm budget each year, costing 4.3bn ecu last year and expected to cost at least 4.7bn ecu this year.

The Commission believes a supplementary budget may be necessary this year to cover extra farm costs, following last month's prices settlement, which included a 5 per cent average price rise and shelving of most of its plans to save money in the sugar and dairy sectors.

However, since neither the Council of Ministers nor the European Parliament has yet approved the 1980 budget, it is anxious to keep well within the present budgetary limits for the moment, so that application for a supplementary budget does not follow too closely on adoption of the main budget.

In announcing the cuts in export refunds yesterday (from 50 ecu to 30 ecu per 100 kilo for milk powder, from 163 to 100 ecu per 100 kilos for butter) the Commission pointed out that intervention stocks for both these products have dropped sharply in the past year.

Skimmed milk powder stocks now stand at 154,000 tonnes compared with 445,000 tonnes a year ago. This follows a period of particularly intensive sales from July to November, when the export refund was over 66 ecu per 100 kg. About half of the sales were to buyers within the EEC, the rest being exported.

Butter stocks now stand at 254,000 tonnes compared with 331,000 tonnes a year ago. Sales include 21,000 tonnes exported to the USSR earlier this year, most of the rest having been sold internally, at subsidised prices.

Yesterday's cuts would not, the Commission said, bring an immediate halt in exports: substantial sales of butter, skimmed milk powder and butter oil were already in the pipeline.

Although butter and skimmed milk powder production have dropped slightly so far this year (by an estimated 2.5 per cent and 3 per cent respectively) due to increased cheese and whole milk powder production, it is no tcertain that this trend will last. On the other hand, milk output is expected to continue rising by at least 2.5 per cent following this year's price rise. Since the EEC already produces at least 20 per cent more milk than it needs and world consumption is stagnant, a renewed build up of intervention stocks is widely expected.

Metals follow gold downturn

METAL prices fell again yesterday, following the downturn in gold. Silver and platinum suffered the main losses, but base metals were hit too with copper sinking to another nine-month low.

The bullion spot quotation for silver was cut by 88.9p to 670p a troy ounce at the morning fixing. However, the market, after dipping even lower, rallied to close around 675p. Free market platinum closed £9.6 down at £281.9 a troy ounce. Traders felt a reaction, after the recent rise, was somewhat overdue.

On the London Metal Exchange copper cash wirebars closed £7.5 lower at £860 a tonne, and lead and zinc prices also fell again.

Tin, however, resisted the general downward trend and ended marginally higher, encouraged by the recovery in the Penang market overnight.

WORLD FOOD COUNCIL

Promises for the Third World

BY OUR OWN CORRESPONDENT

THE UNITED Nations World Food Council met for four days in the North Tanzanian town of Arusha last week, poured out tens of thousands of words in the form of documents and speeches, but left hungry Third World countries dissatisfied and frustrated.

The 36-member council, which groups both developing and donor nations, eventually came up with a series of watered-down proposals which generally failed to live up to the hopes and expectations of the "group of 77."

Third World delegates complained that though the meeting was supposed to be the WFC's sixth ministerial conference, only two donors—Canada and Denmark—were actually represented at ministerial level.

Secondly, they said, throughout the conference, the only pledge of extra food or cash came from Canada—and that was because elections there had meant a postponement of earlier pledges.

WFC president Arturo Tanco, Agriculture Minister of the Philippines, told the Financial Times the criticisms were not entirely fair, as "hard" aid pledges were not really expected from the forum.

The value of the conference should be judged over a longer period in terms of exchange of views and information and the publicity about food problems that it would generate. Mr. Tanco said, however, he fully understood and sympathised with complaints from the food shortage countries.

The main victim of opposition from the western grain producers was an ambitious and costly plan to set up a 12m ton grain reserve to be stored (assuming facilities could be built) in or near potential famine areas.

This, it was argued, would stabilize the cereal market's fluctuations and avoid a repetition of the extreme shortage years of the early 1970s. The scheme became something of a sacred cow for India, Pakistan, Tanzania and Zambia, who called for its establishment to be compulsory.

Grain producing countries, however, said such a question should be left to the London-based International Wheat Council, which has been trying for some time to come up with an International Wheat Agreement.

In the end the conference merely reiterated its position that a new and legally-binding International Wheat Agreement should be concluded as soon as possible and should "constitute the core of world food security."

All the forum could do to appease those who wanted an immediate 12m ton reserve was to resolve that, if before mid-1981 a wheat agreement was not concluded, "serious consideration" should be given to ways of establishing a contingency reserve.

Third World frustration was summed up in an editorial in Tanzania's government Daily News which said the conference had nothing more to offer that "a handful of resolutions to the hungry millions of developing countries."

The WFC did conclude that an idea launched at its last conference, in Ottawa, had been something of a success. The scheme, called "food strategies" called for developing countries, with the help of individual donors, to prepare overall food and agriculture plans so that aid could be channelled by the donor to the most deserving sector. The accent is on raising domestic food production and so far the scheme has been adopted by 32 developing nations.

The idea was opposed by some countries (noticeably Mexico and Yugoslavia) who were afraid that the presentation of a workable food strategy would become a condition of assistance. The WFC, in its conclusions, went to some pains to allay such fears.

The thread which ran through the presentations of western donor nations was that the newly oil-rich OPEC countries could and should do much more for the Third World nations critically burdened by oil bills, which in the case of Tanzania amounts to half of all foreign exchange spending.

Canadian Agriculture Minister Eugene Whelan's comment was typical. He said there should be an expansion of the donor community of nations "to include a fuller participation of those countries whose ability to contribute has so radically improved as a consequence of oil prices."

Conservation of fish 'not nationalistic'

By Richmond Mooney

BRITAIN'S determination to conserve fish stocks is not based on "nationalistic chauvinism," Mr. Alick Buchanan-Smith, Minister of State for Agriculture and Fisheries, said in London yesterday. Effective conservation would benefit "not just our fishermen but the fishermen of all countries," he declared.

Mr. Buchanan-Smith, who was opening a fisheries conference organised by the Society for Underwater Technology, said the extension of fisheries limits to 200 miles had given coastal states an unprecedented opportunity to introduce conservation measures over a wider area of sea than ever before.

But he said national measures were never as satisfactory as an internationally agreed regime because "fish do not respect boundaries."

The Minister said the European Community was ideally placed to mount a co-operative conservation regime. "We have long pressed our partners in Europe to agree to a conservation policy soundly based on the recommendations of the International Council for the Exploration of the Sea (ICES)," he stated.

Sugar values unsettled

BY JOHN EDWARDS, COMMODITIES EDITOR

WORLD SUGAR values fell sharply on the London terminal market in early trading, but then rallied to recover a large proportion of the losses. On the No. 2 contract the August position dropped to £325 at one stage before rallying to close at £332.50 a tonne, still over £11 down on the previous day.

There was a similar pattern in other months, but movements in the August contract were said to be exaggerated by the reminder that action would be taken to ensure there was no artificial squeeze on supplies available to the market. The London daily price for new sugar was cut by £13 to £285 a tonne.

Values were depressed initially by an official denial from the Philippines that it had sold 600,000 tonnes of sugar to the Soviet Union, as had been rumoured. The market also went down on a report from Bangkok that the Thailand Government had sorted out its problems with domestic sugar mills. It was thought this might lead the way for Thailand resuming exports after its force majeure declaration last week. However, the market bounced up again in later trading, partly because it was felt that in fact the situation was little changed.

Meanwhile it was confirmed in Sydney that CSR, the marketing agent for Australian sugar, has held preliminary talks with Japanese trading houses on a new long-term contract.

Reuter reported from Tokyo that the Japanese were studying an Australian proposal for a fixed-price contract covering the purchase of some 800,000 tonnes of raw sugar annually for five years, starting from July next year.

The existing contract, under which Australia supplies 600,000 tonnes a year until June 1981, was signed during the last sugar boom in 1975 but was then "renegotiated" at the request of the Japanese when prices slumped in 1976. However, the renegotiation provided a protracted struggle, with the Australians first of all refusing to cut prices and the Japanese at one stage refusing to take delivery.

Paris commodity exchange 'should be closed'

PARIS — France's economic and social council said on Monday that France's commodity exchange should be closed indefinitely if its performance fails to improve over the next three years.

The council, an advisory body, recognised the positive implications of the forward markets for sugar, cocoa, coffee and soya beans in that they dampen price fluctuations for professional operators.

But it noted that because of excessive red tape and low turnover, "Paris commodity exchanges function badly. The markets have been pushed to the sidelines because they are not seen as being useful."

The council said the regulations of the markets had become synonymous with weightiness and inefficiency due to superimposition of a multitude of badly-defined organisations."

Transport delays for Ugandan coffee

By Richard Mooney

FEARS THAT delays to shipments of Ugandan coffee may worsen failed to prevent a further decline in prices on the London futures market yesterday. The September position fell £26.50 to £1.708 a tonne and has now declined £76.50 from the six-month peak reached a week ago.

London coffee dealers said transport difficulties were holding up movement of coffee from the interior of Uganda to the Coffee Marketing Board's central processing plant in Kampala.

The reports did little to steady the London market, though dealers said there was no fresh news to encourage the decline. Some selling by the Bogota producer group was noted towards the end of the morning.

Cocoa prices steadied in quiet trading with the September futures qutation closing £20.50 up on the day at £1,129.50 a tonne. This was the highest closing price since the middle of last month.

Dealers attributed the late rise to modest Continental demando for West African cocoa.

Aid for N. Irish farmers

BY OUR BELFAST CORRESPONDENT

SUBSTANTIAL AID involving grants from the EEC of £48m may soon be announced for Northern Ireland's agricultural industry.

Mr. John Hume, one of the province's three European MPs said on Monday that the EEC commission had drawn up proposals which would particularly benefit farmers in less favoured areas.

The proposals consist of a £40m development programme for improvements in the poor areas and £8m scheme to help improve marketing and processing in the egg and poultry sectors.

In both cases the Northern Ireland department of agriculture would be expected to match the European grants pound for pound, resulting in a joint expenditure of £96m spread over a number of years.

The main proposal, if approved, will be of particular help to the small farmers of the more remote hill areas of the province. The money would be spent on reclaiming land, providing agricultural roads and for purchasing fertilisers

U.S. talks on EEC wheat subsidies

WASHINGTON — The Administration may seek bilateral talks with the EEC on a complaint by a U.S. trade group over EEC wheat export subsidies, U.S. agriculture department officials said.

The U.S. trade office last summer upheld the complaint and found that EEC wheat export subsidies substantially reduced U.S. sales to foreign markets.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Lower again on the London Metal Exchange, reflecting the declines in gold and silver. Forward metal moved up from £893 to £896 on the early pre-market, following the initial fall in sterling and Continental buying interest. However, the market came under pressure as precious metals lost ground and three months fell away to £879 by the early afternoon owing to general liquidation and stop-loss selling around the £880 mark. The rally by sterling was a further factor affecting sentiment. The market steadied towards the close of trading, however with forward metal finally quoted at £882.5. Turnover: 21,200 tonnes.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Wirebars				
Cash	860-1	−13.5	859-61	−7.5
3 months	883-4	−10.5	880-1	−9.25
Settlem't	861	−13	—	......
Cathodes		......		
Cash			836-7	−7
3 months	841-2	−8.5	857-8	−7
Settlem't	852-4	−8	—	......
U.S. Prod	842	−10	*95	......

Amalgamated Metal Trading reported that in the morning three months wirebars traded at £883, 80, 81, 83, 82, 81.5, 82, 83, 82.5, 83, 84, 85, 84, 83. Cathodes, three months £862. Kerb: Wirebars, three months £885, 83. Afternoon: Wirebars, three months £884, 85 82, 81, 80. Kerb: Wirebars, three months £882, 83, 82, 83, 82.5, 82, 82.5.

TIN—Marginally firmer, reflecting the rise at Penang and covering against overnight American physical demand. After opening at £7,345 forward metal moved up to £7,370 with good buying of cash material narrowing the contango from £20 to level. However, in the afternoon freer offerings of cash metal coupled with profit-taking pared forward metal to £7,320 at the close. Turnover: 730 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	7560-70	−180	7520-340	+45
3 months	7400-20	+110	7370-400	+35
Settlem't	7570	+128	—	......
Standard				
Cash	7560-70	+100	7520-40	+45
3 months	7365-70	+115	7340-50	+40
Settlem't	7570	+108	—	......
Straits E.	‡$2159	+8		......
New York	—	......	—	......

Morning: Standard, cash £7,350, 60, 70, 60, 65, three months £7,340, 50 60, 65, 70, 65. Kerb: Standard, three months £7,370. Afternoon: Standard, three months £7,340, 30, 40, 50, 40. Kerb: Standard, three months £7,340, 30.

LEAD—Slightly easier in line with copper. Forward metal opened at £319 and fell away to £312 during the morning before recovering to and the late Kerb at £315.5. Turnover: 6,800 tonnes.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	308-10	+4.5	306-7	−4
3 months	316-7	+4	314-5	−7
S'ment	310	+5	—	......
U.S. Spot	—	......	*36-40	......

Morning: Three months £313, 12, 16, 17. Kerb: Three months £316, 15, 14. Afternoon: Cash £307, three months £315, 14.5. Kerb: Three months £315.

ZINC—Down, along with other metals. After opening around £296.5 forward gradually fell away to close the late Kerb at £292.5, although influential trade support was noted at the lower level. Turnover: 7,150 tonnes.

ZINC	a.m. Official	+ or −	p.m. Unoffici'l	+ or −
	£	£	£	£
Cash	283.5-4.5	−3.25	281-3	−4
3 months	295-.5	−4.25	293-.5	−5.25
S'ment	284.5		—	......
Primw'ts	—	−3	*37.5	......

Morning: Three months £295, 96, 97, 96, 95, 95.5, 95. Afternoon: Three months £296, 95.5, 96, 96.5, 96, 95, 94 91, 92. Kerb: Three months £292, 93, 92, 93, 92.5.

ALUMINIUM—Barely changed for forward metal, although offerings of cash metal eliminated the backwardation and established a contango of around £5. Three months opened around £722.5 and edged up to £726 before closing the late Kerb at £723.5 Turnover: 6,450 tonnes.

Alumin'm	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
	£	£	£	£
Spot	722-3	......	717-9	−5.5
3 months	725-7	−2.75	723-4	+1.5

Morning: Cash £722, three months £724, 25. Kerb: Three months £725, 24, 25, 26. Afternoon: Cash £721, 18, three months £725 24, 23, 24. Kerb: Three months £722, 23, 24.

NICKEL—Held steady in routine trading with forward metal finally quoted at £2,805 on the afternoon Kerb. Turnover: 422 tonnes.

NICKEL	a.m. Official	+ or −	p.m. Unoffici'l	+ or −
Spot	2705-10	−27.5	2725-45	−10
3 months	2785-90	−7.5	2805-15	+5

Morning: Cash £2,700, 05, three months £2,800, 2,795, 90, 85, 82, 80, 85. Afternoon: Three months £2,795, 98, 2,810, 2,800 05, 10, 05.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

COCOA

Reluctant to move higher this morning futures attracted buying interest during the afternoon and closed on a steady note at the highs of the day. Physicals were neglected by producers today but cocoa beans and products were actively traded in the second-hand market, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or −	Business Done
July	1105-06	+12·0	11-091080
Sep	1129-30	+20.5	1133-1100
Dec	1174-75	+18.0	1175-51
March	1212-15	+16.5	1219-1194
May	1235-40	+14.0	1240-1216
July	1255-65	+12.5	—
Sept	1270-95	+5.0	—

Sales: 2,819 (6,474) lots of 10 10 tonnes.

COFFEE

Early losses in robustas were attributed to late weakness in New York. Trading was nervous but activity increased in the afternoon as the market drifted lower, volume was uninspiring in mixed dealings until the closing call when persistent trade selling eventually triggered stop-loss orders while boosting the day's turnover, reports Drexel Burnham Lambert.

COFFEE	yesterday's Close	+ or −	Business Done
	£ per tonne		
July	1648-49	−39.0	1677-46
Sept	1706-10	−26.5	1730-02
Nov	1726-28	−24.5	1747-25
January	1732-32	−39.5	1763-30
March	1690-05	−42.5	—
May	1695-00	−35.0	—
July	1669-00	−38.0	—

Sales: 3,340 (4,328) lots of 5 tonnes.

ICS Indicator prices for June 9 (U.S. cents per pound): Other Mild Arabicas 189.67 (188.83). Robustas ICA 1976 176.75 (175.25). ICA 1968 177.00 (175.50). Unwashed Arabicas 209.50 (same). Comp. daily ICA 1968 193.36 (192.97).

GRAINS

LONDON GRAIN FUTURES—The market opened lower and values eased on general selling pressure. Nearby positions saw most buying interest and values closed 15p-20p lower with distant months under more pressure due to lack of buyers closing 25p-35p down on the day, reports Acli.

WHEAT			BARLEY	
Mnth	Yesterday close	+ or −	Yesterday close	+ or −
Sept	94.85	−0.20	91.17	−0.15
Nov	98.65	−0.35	95.60	−0.25
Jan	102.50	−0.30	99.45	−0.15
Mar	105.80	−0.30	102.80	−0.20
May	109.20	−0.35	105.90	−0.55

Business done—Wheat: Sept. 94.85-94.70, Nov. 98.80-98.55, Jan. 102.65-102.40, March 105.90-105.80, May 109.35-109.15. Sales: 151 lots of 100 tonnes. Barley: Sept. 91.70-91.60, Nov. 95.70-95.50, Jan. 99.50-99.40, March 102.80-102.75, May 106.00-105.85. Sales: 131 lots of 100 tonnes.

IMPORTED—Wheat: U.S. Dark Northern Spring No. 2 14 per cent. June 91.85, July 92.85, Aug. 94.25 transhipment East Coast sellers. Maize: French June 116.75 paid South Coast. South African Yellow June-July 77.00 seller. Barley: English Feed fob Oct.-Dec. 99, Jan.-March 106, April-June 110 nominal East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices—Feed barley: S. East 92.20, S. West 92.40, W. Midlands 92.90, N. West 91.95.

RUBBER

The London physical market opened steadier, ruled quiet throughout the day, closing on a steadier note. Lewis and Peat reported a Malaysian go-down price of 297 (295) cents a kg (buyer, July).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
July	61.40-61.50	60.30-60.40	61.20
Aug	62.50-62.80	61.20-61.50	—
Jly.-Sept	62.50-62.60	61.30-61.40	62.80-62.10
Oct-Dec	65.90-66.00	64.60-64.70	66.30-65.50
Jan-Mar	68.90-69.00	67.50-67.60	69.00-68.60
Apr-Jne	71.50-71.70	70.20-70.40	71.50-71.20
Jly.-Sept	74.20-74.40	72.90-75.00	74.00
Oct-Dec	76.70-76.90	75.40-75.50	76.90-76.60
Jan-Mar	79.10-79.20	77.70-77.80	79.10-78.10

Sales: 370 (258) at 15 tonnes, 2 (17) at 5 tonnes.

Physical closing prices (buyer) were Spot 60.00p (59.25p); July 63.25p (62.00p); August 64.25p (63.00p).

SILVER

Silver was fixed 88.9p an ounce lower for spot delivery in the London bullion market yesterday at £6.70. U.S. equivalents of the fixing levels were: spot $15.60, down $2.25; three-month $15.94, down $2.268; six-month $16.37, down $2.29; and 12-month $17.2, down $2.37. The metal opened at £7.5-£7.65 ($17.55-$17.85) and closed at £6.65-£6.85 ($15.60-$16).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	670.0p	−88.9	675.5p	−78.5
3 months	696.60p	−90.5	702p	−80.5
6 months	722.20p	−92.7	—	......
12months	768.90p	−98	—	......

LME—Turnover 172 (153) lots of 10,000 ounces. Morning: three months 690, 95, 90, 92, 95, 92, 90, 88, 85, 90, 86, 96, 700, 2, 5, 6, 7, 8, 10. Kerb: three months 710. Afternoon: cash 675, three months 700, 01, 700, 02. Kerb: three months 702, 05, 08.

SOYABEAN MEAL

The London market opened with gains of around £1 on little trade buying, reports T. G. Roddick. Prices held steady on short covering in quiet trading conditions and closed on the highs.

	Yest'rday Close	+ or −	Business Done
	£ per tonne		
June	97.00-98.00	+1.0	—
August	102.00-02.1	+1.40	102.20
October	102.00-02.5	+1.40	102.00-101.80
December	105.00-05.5	+1.15	105.50-04.10
February	108.10-08.8	+1.10	—
April	109.00-12.0	+1.50	—
June	110.00-14.0	+1.50	—

Sales: 32 (31) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £285.00 (£298.00) a tonne cif for June-July shipment. White sugar daily price was £310.00 (£315.00).

Reports from Bangkok that a soution to the problems in Thailand had been arrived at provoked profit-taking sales. At one stage the decline extended to £10 but most of the losses were recovered subsequently, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Aug	352.00-33.00	345.60-45.75	347.00-25.80
Oct	349.00-49.25	357.75-58.00	357.00-41.50

Sales: 7,544 (7,436) lots of 50 tonnes.

NUMBER 4 CONTRACT—Close (in order buyer, seller only). Aug. 319.00, 323.00; Oct. 343.25, 344.00; Jan. 359.00, 360.00; March 364.00, 364.15; May 359.00, 360.50; Aug. 354.00, 354.50; Oct. 348.00, 352.00. Sales: 5,041 (2,845).

Tate and Lyle ex-refinery price for granulated basis white sugar was £324.7 (same) a tonne for home trade and £418.0 (£432.0) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for June 9: Daily price 28.81 (27.98); 15-day average 31.83 (32.12).

COTTON

LIVERPOOL—No spot or shipment sales were recorded, leaving the total for the week so far at 128 tonnes. Operators continued to be cautious in view of the downward trend in prices and the absence of demand from consumers. Only limited attention was paid to certain American-type varieties.

JUTE

JUTE—June-July c and f Dundee: BWC £214, BWD £188, BTB £265, BTC £226, BTD £193. Antwerp June-July: BWD $410, BTB $630, BTC $528, BTD $458. Jute goods c and f Dundee: June 40 in 10 oz £12.69, 40 in 7.5 oz £9.93. B Twills £36.56.

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Aug. 372, 377, 376, 1; Oct. 375, 380, nil, nil; Dec. 376, 380, nil, nil; Jan. 378, 384, 381, 1; March 383, 387, 383, 1; May 385, 387, nil, nil; Aug. 385, 390, nil, nil; Oct. 385, 386, 1; Dec. 385, 390, 385, 1. Sales: 6.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business, sales). Australian cents per pound. July 465.0, 466.0, 479.0-465.0, 187; Oct. 461.0, 463.0, 470.0-458.0, 271; Dec. 461.0, 463.0, 470.0-458.0, 258; March 460.0, 462.0, 470.0-459.0, 90; May 462.0, 464.0, 468.0-459.0, 57; July 464.0, 466.0, 469.0-461.0, 53; Oct. 464.0, 466.0, 469.0, 462.0, 23; Dec. 464.0, 466.0, 464.0-464.0, 2. Sales: 941.

★

GRIMSBY FISH—Supply good, demand fair. Prices at ship's side (unprocessed) per stone: Shelf cod £4.00-£4.50, codlings £2.40-£3.40. Large haddock £4.00-£4.50, medium £3.50-£4.50, small £2.80-£3.40. Medium plaice £4.40-£5.20, best small £3.40-£4.20. Skinned dogfish (large) £7.80, (medium) £6.50. Lemon soles (large) £7.50, (medium) £6.50. Reds £2.20-£2.70. Saithe £2.20-£2.70.

PRICE CHANGES

In tonnes unless otherwise stated.

	June 10 1980	+ or −	Month ago
Metals			
Aluminium	£810/815	....	£810/815
Free Mkt	$1720/1740	....	$1770/80
Copper			
Cash w'bar	£860	−7.5	£888
3 mths	£880.5	−8.25	£913.5
Cash Cathode	£836.5	−7	£871.5
3 mths	£858.5	−7	£892.5
Gold troy oz	$604	+22	$513.6
Lead cash	£306.5	−4	£340.25
3 mths	£314.5	−2	£347.25
Nickel	£3,248.55	....	£3,335
Freemkt(cif lb)	270/300c	....	265/305c
Platin'm tr'y oz	£182.50	....	£189/193
Free mkt	£281.90	−9.6	£247.80
Quicksil'ver†	$380/390	....	$385/400
Silver troy oz	670.0p	−88.9	559.70p
3 months	696.60p	−90.5	577.70p
Tin Cash	£7,550	+45	£7,462.5
3 mths	£7,345	+40	£7,447.5
Tungsten 22.04lb	$141.75	....	$144.50
Wolfrm 22.04lbs	$138/143	....	$138/145
Zinc cash	£282	−4	£291
3 months	£292.25	−5.25	£302.5
Producers	$780	....	$780/825
Oils			
Coconut (Phil)	$642.50x	....	$650
Groundnut	‡	....	‡
Linseed Crude	£391	....	£387
Palm Malayan	$570w	+2.5	$585
Seeds			
Copra Philip	$420	+5	$385
Soyabean (U.S.)	$266.15	+2.15	$269.65
Grains			
Barley Futures	£95.60	−0.25	£91.95
Maize			
French No3AM	‡	‡	‡
Wheat			
No. 1 Red Spg	‡	....	‡
No2HardWint	‡	....	‡
Eng. Milling†	‡	....	‡
Other commodities			
Cocoa ship't	£1,180	+11	£1,277
Future Sept	£1,129.5	+20.5	£1,251.5
Coffee F't'Sept	£1708	−26.5	£1,740.5
Cotton A.Index	84.00c	−0.20	88.60c
Rubber (kilo)	60p	+0.75	59.50p
Sugar (Raw)	£285	−13	£335
Wooltp's 64s kl	294p kilo	....	292pkilo

u July-Aug. s June-July. w Aug. x July. z Indicator. § Buyer. ‡ Per 276-lb flask.

In tonnes unless otherwise stated. u July-Aug. s June-July. w Aug. x July. z Indicator. § Buyer. ‡ Per 276-lb flask.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on June 10. GB—Cattle, 81.82p per kg lw (−2.15). UK—Sheep, 151.2p per kg est dcw (−7.85). GB—Pigs, 65.22p per kg lw (−2.29).

SMITHFIELD—pence per pound. Beef: Scotch killed sides 67.0 to 72.0. Lamb: English small new season 70.0 to 76.0. Imported frozen NZ pl 60.0 to 61.0, pm 57.0 to 59.0. Veal: Dutch hinds and ends 100.0 to 106.0. Pork: English, under 100 lbs 42.0 to 50.0, 100-120 lbs 40.0 to 48.0, 120-160 lbs 38.0 to 46.0.

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Jaffa: Valencia Lates 50/189s 4.15-5.60; Egyptian: Valencia Lates 75/125s 2.50; Moroccan: 54/113s 3.50-4.00; Cyprus: Valencia Lates 3.60-4.50; Arizona: Valencia Lates 72/113s 3.90-5.30; Outspan: Navels 3.80-4.30. Lemons—Italian: 100/150s 4.20-4.50; Spania: Trays 25/45s 1.80-2.20. Grapefruit—Jaffa: Boxes 40/58s 5.00-5.50; Outspan: 3.95-4.55. Apples—New Zealand: Sturmer Pippins 8.00, Red Delicious 138s 9.00-9.40, Grany Smith 8.00-8.20; Tasmanian: Jonathans 8.00-8.30, Golden Delicious 7.30-7.50, Crofton 8.50, Sturmer Pippins 8.00-8.20; S. African: Golden Delicious 9.50-10.00, Starking 7.50-8.50, Granny Smith 7.80-8.20; Argentina: Red Delicious 8.80; Dutch: 22-lb Golden Delicious 2.30; French: 40-lb boxes, Golden Delicious 138/198s 4.80-5.80, 20-lb 3.00-3.20; Italian: Jonathans/Romes 40-lb 5.40-5.60, Winesape 5.20. Pears—S. African: Approx. 25-lb Beurre Bosc 7.0-7.30, Packham's 8.40-8.80, Winter Nelis 6.20-7.30; Italian: Passacrassane 12-lb 1.70-2.00; Victorian: Josephines 9.50-10.00, Packham's 9.50-10.50, Winter Nelis 8.00-8.50. Peaches—Spanish: Yellow flesh 3.00-5.00. Apricots—Spanish: 2.80-4.00. Grapes—Victorian: Ohanes 23-lb 16.00; Chilean: Emperor 7.00. Strawberries—Per punnet, Italian: 0.20-0.25; Spanish: 0.25; American: 0.90. Cherries—Per pound, French: 0.50-0.60; American: 0.90; Lebanese: 0.70. Melons—Israeli; Galia 5.00; Spanish: 8/11s 3.00-3.50, Ogens 3.50-4.00, Mariana 6 kilos 2.40-2.50; Israeli: Yellow 5.25-5.50. Water-Melons—Israeli: 5.00; Spanish: 3.20-3.30. Avocados—S. African: 3.30-3.50. Bananas—Jamaican: 28-lb, per pound 0.19. Tomatoes—Dutch: 3.70-4.00; Guernsey: 3.80-4.00; Jersey: 3.60-4.00. Onions—Dutch: 6.50; Spanish: 6.50; Egyptian: 6.80; Texas: 7.30. Potatoes—Cyprus: New crop 20-kg 3.80; Jersey: Per pound 0.06-0.06½; French: Dukes 2.50, Princes 2.20; Greek: 3.00. Carrots—French: 22-lb 3.50, 26-lb 4.50; Italian: 3.50; Cyprus: 3.30. Beetroots—Cyprus: New crop, approx. 28-lb 3.00. Cabbages—Dutch: White 2.50-2.80 Courgettes—French: Per pound 0.25-0.30.

English Produce: Potatoes—Per bag 2.00-2.30. Mushrooms—Per pound 0.60-0.70. Apples—Per pound Bramley 0.11-0.19. Strawberries—English per ½-lb 0.15-0.20. Cabbages—Per bag 1.20-1.50. Cauliflowers—Per 12s English 2.50-3.50. Peas—Per pound 0.25. Broad Beans—Per pound 0.10-0.12. Cucumbers—Trays 18/20s 2.40-2.60. Tomatoes—Per 12-lb 3.60-3.80. Lettuce—Per pound round 1.20-1.50. Rhubarb—Per pound outdoor 0.05. Onions—Per bag 6.50-6.80. Celery—English 12/30s 3.60-4.20. Asparagus—Per pound 0.90-1.00. Lettuce—Cos 1.50, Webbs 1.20-1.40. Gooseberries—Per pound 0.25.

AMERICAN MARKETS

NEW YORK, June 10.

HEAVY profit-taking in precious metals put gold and silver limit down, the liquidation extended also into copper. Good buying by the Bogota group reverse the sharp opening losses in the coffee market with closes sharply higher. Sugar traded over a very wide range of gains and losses and finished about unchanged. Cotton was under moderate pressure most of the day under the influence of commercial and trade selling. A chart buying rally in the livestock markets did not help the feeder cattle or the pork bellies which could not hold the early gains. Wheat and maize were basically unchanged while soyabeans were fractionally lower, reported Heinold.

Potatoes (round whites)—Nov. 74.0-74.3 (73.6), March 87.0-87.5 (88.1), April 100.1-100.3. Sales: 534.

Sugar—No. 11 July 29.80-30.10 (30.06), Sept. 31.80-32.00 (31.95), Oct. 32.90-33.00, Jan. 33.00-34.00, March 34.70-35.00, May 34.30-34.50, July 33.70-33.90, Sept. 33.00-33.10, Oct. 32.95. Sales: 15,218.

Tin—782.00-789.00 asked (779.00-792.00).

CHICAGO, June 10.

Lard—Chicago loose 17.00 (same). New York prime steam unavailable.

Chicago Imm Gold—June 596.0-598.0 (625.0), July 599.0 (630.0), Sept. 608.0-609.0, Oct. 614.0, Dec. 625.0-626.5, Jan. 631.8, March 643.0, April 649.0.

Live Cattle—June 66.50-66.70 (66.57), Aug. 65.85-65.95 (65.72), Oct. 64.85-64.70, Dec. 66.00-65.90, Jan. 66.45, Feb. 66.85, April 67.35.

Live Hogs—June 34.60-34.55 (34.75), July 36.80-36.70 (36.27), Aug. 36.50-36.40, Oct. 36.95-36.85, Dec. 39.95, Feb. 42.77, April 41.35, June 44.25, July 45.47.

‡‡Maize—July 275-275¼ (274), Sept. 283½-283¾ (283¼), Dec. 291½-292, March 304-304¼, May 312, July 317¾.

Pork Bellies—July 28.40-28.50 (28.52), Aug. 28.70-28.90 (28.80), Feb. 45.10-45.30, March 45.25, May 45.85, July 46.75, Aug. 46.05.

Silver—June 1,545.0-1,550.0 (1,792.5), July 1,690.0, Aug. 1,717.5, Oct. 1,750.0, Dec. 1,776.5, Feb. 1,803.0, April 1,829.5, June 1,856.0, Aug. 1,882.5, Oct. 1,909.0, Dec. 1,935.5, Feb. 1,959.0, April 1,980.0, June 2,001.0, Aug. 2,022.0, Oct. 2,043.0.

†Soyabeans—July 622-621½ (622¼), Aug. 629-629½ (630), Sept. 638-637½, Nov. 652½-653, Jan. 668, March 682½, May 694½, July 703½.

¶Soyabean Meal—July 170.3-170.5 (170.5), Aug. 173.3 (173.2), Sept. 176.0, Oct. 179.0-178.8, Dec. 182.9-183.0, Jan. 185.2-185.5, March 189.5, May 193.0-193.5, July 197.2-197.5, Aug. —.

Soyabean Oil—July 21.49-21.47 (21.55), Aug. 21.74-21.75 (21.79), Sept. 21.95, Oct. 22.20, Dec. 22.55-22.50, Jan. 22.65, March 23.05, May 23.35, July 23.80, Aug. 23.65-23.75.

†Wheat—July 396½-397 (397), Sept. 409½ (409¾), Dec. 427½-428½, March 443½-443, May 450, July 455.

WINNIPEG, June 10. §Barley—July 129.50-129.60 (130.70), Oct. 122.50 (124.90), Dec. 121.50, March 120.80, May 121.40.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, June 10.

Wheat—U.S. No. 2 Red Winter July $175, Aug. $177, Sept. $180. U.S. No. 2 Northern Spring 14 per cent June $192, July $193, Aug. $194, Sept. $196, Oct. $198.50, Nov. $201, Dec. $208. Rest unquoted.

Maize—Spot $145, June $138.75, July $138.50, Aug. $139.50, Sept. $141, Oct.-Dec. $144.75, Jan.-March $153.25.

Barley—June $143.50, July $145.75, Aug. $148.

Soyabeans—U.S. Two Yellow Gulfports June $257.75, July $259, Aug. $261.25, Sept. $264.75, Oct. $267.25, Nov. $267.25, Dec. $272.50, Jan. $276.50, Feb. $282, March $284.75. Brazil Yellow Faq afloat $256. Paraguay afloat $256. Argentine June $251.50, July $251.50, Aug. $254.50, Sept. $259.50 sellers.

Soyameal—44 per cent protein U.S. afloat $214, June $214, July $217, Aug. $220, Sept. $223, Oct. $230, Nov.-March $236. Brazil Pellets afloat $221, June $221, July $223, Aug. $225, Sept. $225, Oct. $234.50, Nov.-March $246.

PARIS, June 10.

Cocoa (FFr per 100 kilos)—July 1,077-1,090, Dec. 1,102-1,107, March 1,125, May 1,140, July 1,160. Sales at call, 1.

Sugar (FFr per 100 kilos)—July 2920/2990, Aug. 3022/3030, Oct. 3195/1,120, Sept. 1,077-1,080, Dec. 1,102-1,107, March 1,125, May 1,140, July 1,160. Sales at call, 1.

INDICES

FINANCIAL TIMES

Jun 9	June 6	M'nth ago	Year ago
267.07	267.66	273.83	295.97

(Base: July 1, 1952=100)

MOODY'S

June 9	Jun 6	M'nth ago	Year ago
1136.1	1121.7	1125.7	1097.5

(December 31, 1931=100)

DOW JONES

Dow Jones	June 9	June 6	Month ago	Year ago
Spot	416.04	418.40	443.91	417.85
F'tur's	433.77	436.09	444.13	423.39

(Average 1924-25-26=100)

REUTERS

June 10	June 9	M'nth ago	Year ago
1664.0	1670.5	1720.5	1629.5

(Base: September 18, 1931=100)

Equity leaders end below best after disappointing banking figures—Index up 5.9 at 440.3, after 442.8

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
June 2	June 12	June 13	June 23
June 16	June 26	June 27	July 7
June 30	July 10	July 11	July 21

* "New time" dealings may take place from 9 am two business days earlier.

The recent stock market advance on hopes of an early fall in interest rates wavered at around 2.30 pm yesterday on disappointment with the mid-May banking figures. Thoughts that they would put back by at least a month the prospect of a cut in rates resulted in dealers going on the defensive by lowering quotations against expected profit-taking.

Leading shares still managed to end better on balance, but short-dated Gilt-edged turned decidedly dull and finished with falls to ½. Fresh early gains of around ½ at the longer end of the market prompted by news of the further fall in U.S. interest rates were mostly erased and the majority finished at the overnight closing levels. A small amount of the new long tap, Exchequer 13¼ per cent 1994, was sold when the Government broker activated the £40-paid stock for the first time yesterday at 40½.

Earlier, further all-round strength in leading equities was reflected in the FT 30-share index which had moved up 8.4 at the 2 pm calculation for a rise of over 30 points since Monday of last week. The later reaction left the index still 5.9 higher on balance at 440.3. Preliminary results from Allied Breweries and interim figures from Grand Metropolitan were well received.

Of the sectors, Electricals were particularly good with MK Electric prominent on news of the ending of short-time working while Ferranti continued to respond to bid hopes and STC moved up after the chairman's optimism at the annual meeting. Selective buying interest was again evident in recently depressed engineers.

On the same day that the Stock Exchange announced a campaign to increase public interest in the market, Traded options attracted 1,863 contracts for its busiest session since late last year. Grand Metropolitan recorded 337 deals on the excellent interim results, while Commercial Union and Land Securities were dealt 267 and 277 times respectively.

Banks below best

Continuing to reflect a broker's favourable circular, the major clearing banks made further progress in the early trade but reacted following the latest banking figures to end below the best. Barclays closed 5 better at 435p, after 437p, while Midland put on 3 to 343p, after 346p. The recent rise in gilts and hopes of lower interest rates prompted renewed firmness in discount houses.

Annual profits from Allied Breweries proved to be well in excess of market expectations and the shares improved to 83½p before settling at 81p, for a net gain of 2½. Other major Breweries firmed following steady buying. Elsewhere, Distillers advanced 4 more to 195p.

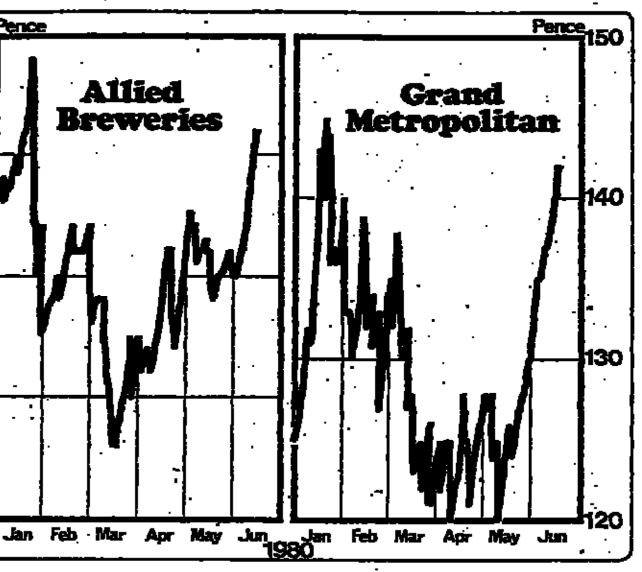
Quietly firm conditions persisted in Buildings, but closing levels were sometimes below the best. London Brick hardened a penny to 73p, after 74p, and Redland a couple of pence to 160p, after 162p. BPB touched 194p before reverting to the overnight level of 190p; the annual results are due on June 25. Blue Circle, however, retained a gain of 5 at 335p and Tarmac one of a couple of pence at 242p. International Timber shed 2 to 112p, after 115p, on the cautious statement and preliminary results that failed to match market estimates.

Up to 368p at one stage on early interest, some of which was institutional, ICI reacted to 362p following the disappointing banking figures before closing 4 up at 364p.

Small buyers predominated in leading Stores which closed with gains to 6. GUS A firmed that much to 402p, while British Home added 4 at 274p. Elsewhere, good support lifted H. Samuel 6 to 138p, after 140p, while Comet Radiovision continued the recent recovery and closed 4 better at 72p. Currys rose 6 to 180p on the proposed restructuring of its electrical retail business, but Empire turned dull, shedding 6 to 130p, in front of tomorrow's annual meeting. Rumours that the proposed sale of the company's retail outlets has run into problems prompted early weakness in Kitchen Queen, but after touching 6p the shares rallied to end only a penny easier on balance at 8p.

STC buoyant

Strong early support lifted Electricals and although most finished below the day's best some double-figure gains were maintained. Standard Telephones jumped 15 to 313p following the chairman's confident statement at the annual meeting. MK Electric rose a similar amount to 174p on the news that short-time working is to cease at a major subsidiary. Racal found support in front of next week's annual results, and firmed 5 at 247p, while Ferranti, up 7 more at 540p, continued to make progress awaiting the outcome of the NEB's proposed sale of its 50 per cent holding in the company. Plessey picked up 3 to 150p, while GEC added 2 at 362p, after 365p. Revived interest was seen for Kode International, 7 better at 222p, while United Scientific, 514p, and Unitech, 277p, advanced 14 and 8 respectively.



Buyers were again active in the engineering sector and some useful gains were recorded among selected secondary issues. Wolseley Hughes added 7 to 255p and Yarrow 10 to 245p, while improvements of around 3 were recorded in Howden, 76p, J. and H. B. Jackson, 54½p, Hopkinsons, 51p and Wadkin, 90p. Wagon Industrial gained 4 to 169p and 600 Group a penny further to 56p; the later's annual figures are due today. By way of contrast, Edbro softened a penny to 102p, after 100p, following the sharp contraction in preliminary profits. The leaders closed below the best, but Hawker were notable for a fresh rise of 4 to 180p, after 182p.

Against the quietly firm trend in Foods, Cadbury Schweppes shed 1½ to 57½p on news that 700 of the company's staff are to be made redundant. Buying ahead of half-yearly results due tomorrow lifted Northern Foods 4 to 130p, while speculative interest prompted a gain of 6 to 200p in British Sugar. Among retailers, J. Sainsbury added 5 more to 378p and Associated Dairies firmed 4 to 180p. Elsewhere, A. G. Barr rose 7 for a two-day gain of 14 to 140p, while Somportex put on 15 to a 1980 peak of 170p, the latter in a limited market.

Grand Metropolitan firmed 3 to 142p, after 145p, in response to the better-than-expected half-yearly results. Trusthouse Forte also added 3 to 178p, while Ladbroke picked up 4 to 164p.

Metal Box firmer

Although sentiment in the miscellaneous industrial leaders was soured by the afternoon publication of the May banking statistics, fresh improvements of up to 8 were still evident at the close. Reckitt and Colman ended that much better at 178p, while Reed International closed 5 higher at 192p, after 195p. Still drawing strength from the Board's decision to end its costly film production activities, Rank Organisation touched 200p before closing a net 4 dearer on balance at 196p. Metal Box hardened 2 afresh to 272p, after 274p, awaiting today's preliminary figures, while Pilkington, due to report annual results on Friday, improved a similar amount to 202p. Boots added 4 to 193p and Bowater 3 to 171p. Elsewhere, Arthur Wood (Longport) continued to reflect an investment recommendation, rising 1½ for a two-day jump of 8 to 28p. The chairman's optimistic remarks about current year trading helped Huntleigh rise 5 to 81p; and Charles Hill of Bristol jumped 8 to 58p on buying in a restricted market. Dobson Park Industries rose 6 to 117p on further consideration of the recent favourable trading statement. Diploma Investments, 436p, and Applied Computers, 328p, put on 12 and 13 respectively and BTR added 7 to 300p. J. W. Spear, on the other hand, fell 7 to 133p on the disappointing 1979 figures, and a warning about current year trade.

In the Leisure sector, Fairline Boats shed 3 to 77p on the reduced interim profits, but Coral Leisure came in for support and added 2 to 64p, after 65p.

Properties usually retained early gains despite lessened optimism about an early cut in Minimum Lending Rate. Land Securities, a depressed market of late on the £108m rights issue, rallied 4 further to 314p, while Great Portland Estates rose 9 to 238p in response to the increased annual revenue and proposed one-for-four scrip issue. Haslemere Estates improved 4 to 320p. A rising market of late on news that Mr. Jim Slater had acquired a 12½ per cent stake in the company, Laganvale Estates shed 2 to 43p on profit-taking.

Oils cautious

Leading Oils remained cautious ahead of the outcome to the OPEC meeting in Algiers, but British Petroleum rose 6 to 370p on U.S. interest that developed in the after-hours' business. Shell settled 2 up at 404p, after 406p. Ultramar became a volatile market and jumped to 374p before profit-taking left these only a couple of pence higher on balance at 360p. Tricentrol softened 4 to 380p and Lasmo 8 to 670p, but investment support was forthcoming for IC Gas which rose 14 more to 864p. Premier shed 4 to 91p despite the sharply increased profits and scrip issue, but buyers showed fresh interest in Silkolene which put on 7 to 165p. On-shore explorers Carless Capel shed 5 to 131p on the £9.5m cash call.

The recent higher level of Stock Exchange turnover prompted supported for stock-jobbers Akroyd and Smithers, 13 better at a 1980 high of 263p and Smith Bros. which added 2 for a two-day gain of 7 at 34p. Investment Trusts also made with Rothschild ending 6 better at 370p and Camellia rising 10 more to 400p.

Shippings plotted a firmer course. P and O Deferred picked up 4 to 119p and James Fisher 8 to 175p. Ocean Transport, 114p and British and Commonwealth, 298p both gained 2, the latter announces annual results tomorrow.

Among firmer Textiles, John Beales rallied 4 more to 24p, while Sidlaw added a like amount in front of Friday's annual results. Albert Martin, 42p, recovered 4 of the previous day's fall of 11 which followed the chairman's warning of a probable half-time deficit.

Golds lower

A sharp downward reaction in the bullion price put South African Golds under persistent, although by no means heavy, pressure.

The weakness of the metal—finally $22 lower at $604 an ounce—saw share prices marked down at the outset and then continued to weaken for most of the morning. However, a modest recovery in the bullion market in the early afternoon encouraged small-scale "cheap" buying of shares which generally closed above the day's lowest.

The dividend declarations from mines in the Gold Fields group were not known during market hours but were generally lower than most market estimates.

Among the heavyweights, disappointment with dividends announced late on Monday left Durban Deep and East Rand Proprietary around £1½ down at the common price of £12¾, while President Steyn lost nearly a point at £14⅝ and Western Holdings ¾ to £27¾.

West Driefontein gave up ⅜ to £37; the company announced last night a final dividend of 850 cents compared with market forecasts ranging from 750 cents to 1,090 cents.

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Another heavy turnover was reported in the Australian sector. A poor performance by overnight Sydney and Melbourne markets and the subsequent decline in gold and base-metal prices encouraged fairly aggressive profit-taking during the morning session but the market began to pick up in the afternoon following a fresh wave of speculative demand.

Gold stocks were again the most active. Gold Mines of Kalogorlie dropped to 340p before rallying to close 20 down on balance at 344p, while Poseidon fell 19 to 176p. Whim Creek 8 to 100p and North Kalgurli 3 to 80p, after 78p. Bougainville lost 10 to 122p.

Leading base-metal stocks also came on offer. MIM Holdings declined 14 to 220p, Peko-Wallsend 25 to 390p and Mount Lyell 12 to 84p.

Today sees the market debut of South West Consolidated Minerals. Trading commences under Rule 163(3), and dealers anticipate an opening quotation of around 55p to 57p.

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	300	74	13	82	—	94	—	365p
BP	330	44	19	68	—	74	1	"
BP	360	18	57	40	19	56	—	"
BP	390	9	15	26	3	—	—	"
BP	420	3½	—	14	9	—	—	"
[illegible]								

FINANCIAL TIMES STOCK INDICES

	June 10	June 9	June 6	June 5	June 4	June 3	A year ago
Government Secs.	68.17	68.22	67.73	67.75	67.36	67.47	72.86
Fixed Interest	68.61	68.76	68.42	68.36	68.21	68.20	74.37
Industrial	440.3	434.4	428.5	423.4	423.0	420.0	501.4
Gold Mines	331.3	339.9	333.7	337.2	328.0	321.0	200.9
Ord. Div. Yield	8.14	8.24	8.37	8.47	8.46	8.55	5.88
Earnings Yld. % (full)	19.61	19.86	20.18	20.42	20.41	20.74	15.48
P/E Ratio (net) (*)	6.20	6.12	6.03	5.95	5.95	5.88	8.37
Total bargains	20,240	20,047	17,755	17,044	17,566	19,968	—
Equity turnover £m	—	93.72	96.18	121.75	95.88	94.76	82.06
Equity bargains total	—	13,999	12,661	14,604	12,964	13,938	11,832

10 am 440.2. 11 am 441.6. Noon 441.8. 1 pm 442.1.
2 pm 442.8. 3 pm 439.9.
Latest Index 01-246 8026.
*Nil=5.80.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.26 (21/1)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.61 (21/1)	64.70 (10/3)	150.4 (28/11/47)	50.58 (3/1/75)
Ind. Ord.	478.8 (15/2)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (28/2)	265.5 (18/3)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	June 10	June 9
—Daily		
Gilt Edged	135.4	112.3
Industrials	113.5	88.5
Speculative	68.4	54.2
Totals	86.5	67.3
5-day Avge.		
Gilt Edged	118.8	114.2
Industrials	102.2	101.3
Speculative	50.5	46.9
Totals	76.8	75.1

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Ultramar	25p	11	360	+ 2	364	206
LASMO	25p	8	670	− 8	685	337
Shell Transport	25p	8	404	+ 2	410	314
Allied Breweries	25p	7	81	+ 2½	84	68
BP	25p	7	370	+ 6	412	320
De La Rue	25p	7	670	+10	680	530
Barclays Bank	£1	6	435	+ 5	452	392
Beecham	25p	6	130	+ 1	134	108
Bowater	£1	6	171	+ 3	188	141
Free State Geduld	R0.50	6	£23⅝	− ⅜	£28¼	£19¾
Grd. Metropolitan	50p	6	142	+ 3	145	120
GUS A	25p	6	402	+ 6	406	340
Marks & Spencer	25p	6	88	+ 2	96	77
RTZ	25p	6	393	− 1	485	327
Utd. Domns. Trust	25p	6	57	+ 1	61	35

OPTIONS

DEALING DATES

First Dealing	Last Dealing	Last Declaration	For Settlement
Jun. 9	Jun. 20	Sept. 11	Sept. 22
Jun. 23	Jul. 4	Sept. 25	Oct. 6
Jul. 7	Jul. 18	Oct. 9	Oct. 20

For rate indications see end of Share Information Service

Stocks to attract money for the call included John Brown, BET Deferred, Cons. Gold Fields, Clive Discount, Lonrho, Sun Oil, Smith Bros., Berkeley Exploration, Grand Metropolitan, Giltspur, Dunlop, Montague L. Meyer, Howard Machinery, Premier Oil, Poseidon, BP, Silvermines, Charterhall, Louis C. Edwards, United City Merchants, Pentland Industries and Bath and Portland. Puts were completed in Giltspur, Attock Oil, MFI and Chubb, while doubles were arranged in Woodside, Coral Leisure, Dunlop, Berkeley Exploration, Vickers, Shell Transport, Lonrho, Charterhall and North Kalgurli.

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (102)

BRITISH FUNDS (7)
INTERNATIONAL BANK (1)
CORPORATION LOANS (10)
COMMONWLTH. & AFRICAN LOANS (2)
LOANS (4)
FOREIGN BONDS (2)
AMERICANS (1)
BANKS (3)
BEERS (1)
BUILDINGS (3)
DRAPERY & STORES (1)
ELECTRICALS (2)
ENGINEERING (4)
[illegible]

NEW LOWS (23)

BUILDINGS (1)
Heywood Williams
STORES (2)
Empire Stores   Kitchen Queen
ELECTRICALS (1)
Dale Elec.
ENGINEERING (5)
Al Ind. Products   Record Ridgway
British Northrop   Williams & James
Carclo
FOODS (1)
Lockwoods
INDUSTRIALS (5)
Denbyware   Spear (J. W.)
Emray   Stocklake
Fitzwilton
LEISURE (1)
Fairline Boats
MOTORS (2)
E.R.F.   ex Service
SHOES (2)
Strong & Fisher   Ward White
TEXTILES (3)
Caird (Dundee)   Tern-Consulate
Lyles (S.)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	11	34	48
Corpns. Dom. and Foreign Bonds	36	—	30
Industrials	441	101	863
Financial and Prop.	298	27	176
Oils	16	21	15
Plantations	3	2	21
Mines	19	86	50
Others	72	29	48
Totals	896	300	1,238

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Tues., June 10, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon., June 9 Index No.	Fri., June 6 Index No.	Thurs., June 5 Index No.	Wed., June 4 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	234.63	+1.3	18.71	6.85	6.61	231.61	229.02	227.04	225.71	262.01
2	Building Materials (28)	233.64	+1.3	18.44	7.83	6.69	230.66	226.72	225.53	223.24	247.34
3	Contracting, Construction (27)	343.97	+0.9	27.20	7.04	4.41	340.89	343.14	342.42	340.22	400.01
4	Electricals (16)	621.86	+1.4	13.56	4.06	9.55	613.20	606.88	601.64	599.02	616.69
5	Engineering Contractors (11)	286.41	+1.4	23.85	9.05	5.25	282.57	276.36	272.25	269.01	387.43
6	Mechanical Engineering (74)	157.00	+1.6	20.49	8.39	5.98	154.47	152.51	150.26	149.32	197.54
8	Metals and Metal Forming (16)	153.01	+0.6	22.70	10.69	5.29	152.11	150.60	149.81	149.89	178.91
	CONSUMER GOODS										
11	(DURABLE) (49)	207.66	+1.6	15.79	6.12	7.77	204.33	202.85	202.10	201.98	242.62
12	Lt. Electronics, Radio, TV (14)	303.63	+1.7	12.03	4.40	10.64	298.53	295.23	294.50	294.22	329.72
13	Household Goods (14)	93.92	+0.6	31.81	11.20	3.71	93.32	93.87	93.38	93.67	171.49
14	Motors and Distributors (21)	96.95	+1.6	23.64	10.18	4.93	95.43	95.55	94.89	94.70	124.82
	CONSUMER GOODS										
21	(NON DURABLES) (172)	218.65	+1.5	18.96	7.29	6.35	215.46	212.72	211.57	210.85	243.72
22	Breweries (14)	276.28	+1.2	16.34	6.58	7.19	273.11	269.44	267.89	266.39	278.67
23	Wines and Spirits (5)	292.69	+1.6	18.61	6.38	6.62	288.02	284.43	283.04	280.15	316.31
24	Entertainment, Catering (17)	313.32	+1.8	17.99	6.94	6.86	307.67	304.07	301.87	301.91	320.84
25	Food Manufacturers (21)	194.58	+0.9	20.64	7.65	5.71	192.78	189.59	189.09	187.93	225.43
26	Food Retailing (13)	318.83	+1.5	13.35	4.86	8.88	314.08	306.99	306.13	302.04	302.71
32	Newspapers, Publishing (13)	409.18	+0.1	23.34	7.14	5.79	408.90	408.01	408.30	407.78	445.63
33	Packaging and Paper (15)	128.14	+1.4	28.32	9.73	4.07	126.35	124.93	123.88	123.94	138.54
34	Stores (42)	211.91	+1.5	14.51	5.81	8.86	208.88	206.49	204.72	204.65	245.10
35	Textiles (24)	119.85	+2.3	27.13	12.89	4.52	117.16	116.89	117.01	118.53	176.37
36	Tobaccos (3)	209.83	+2.7	29.06	11.04	3.90	204.40	202.42	201.93	200.42	243.88
37	Toys and Games (5)	26.70	−1.2	45.86	18.17	2.58	27.02	27.02	26.88	26.93	79.37
41	OTHER GROUPS (99)	206.10	+1.3	17.98	7.44	6.62	203.45	201.12	199.31	199.90	213.86
42	Chemicals (16)	300.20	+1.2	20.88	8.02	5.49	296.52	293.25	293.40	296.36	299.65
43	Pharmaceutical Products (7)	201.48	+0.9	12.72	6.85	9.68	199.73	195.82	190.32	191.73	231.31
44	Office Equipment (6)	109.50	+1.8	19.89	7.58	5.75	107.55	105.08	101.62	100.51	128.06
45	Shipping (10)	525.07	+1.6	13.49	6.73	9.06	516.71	512.74	504.45	499.93	484.16
46	Miscellaneous (60)	248.23	+1.4	18.12	7.28	6.81	244.77	243.09	242.10	241.79	254.64
49	INDUSTRIAL GROUP (492)	225.92	+1.4	18.44	7.13	6.57	222.79	220.20	218.67	218.15	248.45
51	Oils (8)	814.07	+1.0	28.35	6.33	3.89	805.80	787.22	798.15	791.31	667.03
59	500 SHARE INDEX	272.17	+1.3	20.67	6.95	5.69	268.63	264.81	264.21	263.21	282.40
61	FINANCIAL GROUP (118)	202.69	+0.9	—	6.08	—	200.85	198.55	198.29	198.52	198.36
62	Banks (6)	220.04	+0.8	44.50	7.00	2.75	218.28	215.82	215.65	213.07	247.25
63	Discount Houses (10)	255.06	+2.1	—	6.92	—	249.82	247.41	243.85	243.89	248.53
64	Hire Purchase (5)	206.03	+1.5	15.17	4.86	8.56	202.97	200.79	195.78	193.19	182.74
65	Insurance (Life) (10)	194.08	+1.3	—	6.56	—	191.56	189.68	187.67	186.03	161.45
66	Insurance (Composite) (9)	129.11	+0.2	—	8.34	—	128.88	126.87	126.15	125.29	129.05
67	Insurance Brokers (9)	304.81	+1.1	15.59	7.51	8.84	301.46	299.11	301.28	299.60	287.19
68	Merchant Banks (13)	107.61	+0.3	—	5.86	—	107.34	106.96	107.18	105.92	102.36
69	Property (45)	382.55	+1.3	3.67	2.91	38.68	377.62	373.17	375.28	386.54	347.97
70	Miscellaneous (11)	129.35	+1.2	17.13	6.74	7.42	127.78	126.63	126.80	126.61	124.54
71	Investment Trusts (109)	225.60	+1.9	—	6.10	—	221.45	219.95	218.58	216.34	222.10
81	Mining Finance (4)	193.94	−0.4	13.71	5.09	8.84	194.74	191.82	189.47	186.86	137.36
91	Overseas Traders (19)	375.58	+1.7	13.84	7.20	8.92	369.29	369.80	364.45	362.03	378.87
99	ALL-SHARE INDEX (750)	255.70	+1.2	—	6.70	—	252.57	249.28	248.57	247.67	259.19

FIXED INTEREST PRICE INDICES

	British Government	Tues., June 10	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	104.04	−0.26	—	4.80
2	5-15 years	108.91	+0.04	—	5.63
3	Over 15 years	113.95	−0.05	—	4.98
4	Irredeemables	128.56	—	—	6.30
5	All stocks	108.69	−0.10	—	5.02

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Tues., June 10	Mon., June 9	Year ago (approx.)
1	Low Coupons	5 years	12.09	12.05	9.88
2		15 years	12.05	12.04	10.80
3		25 years	12.05	12.04	11.28
4	Medium Coupons	5 years	13.81	13.70	11.64
5		15 years	13.74	13.73	12.05
6		25 years	13.60	13.61	12.13
7	High Coupons	5 years	13.99	13.88	11.88
8		15 years	14.05	14.04	12.39
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]

		Tues., June 10 Index No.	Yield %	Mon. June 9	Friday June 6	Thur. June 5	Wed. June 4	Tues. June 3	Mon. June 2	Fri. May 30	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	51.54	14.36	51.47	51.46	51.44	51.43	51.42	51.40	51.41	59.54
16	Investment Trust Prefs. (15)	47.68	14.11	47.83	47.79	47.79	47.79	47.79	47.66	47.66	51.78
17	Coml. and Indl. Prefs. (20)	61.91	14.48	61.86	61.84	61.84	61.84	61.80	61.80	61.80	72.69

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. [illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

NOTES

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99⅞	97⅞	Exchequer 13pc 1980‡‡	99⅝	−⅛	13.08	14.25
98	96¼	Treasury 11½pc 1981‡‡	98⅝xd	−⅛	11.66	14.07
93⅝	90¾	Treasury 3½pc 1979-81	93⅝	......	3.75	13.91
96⅞	93⅝	Treasury 9½pc 1981‡‡	96⅞	+⅛	10.06	13.86

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
61½	56½	Agric. Mt. 5pc '59-89	59½xd	......	8.36	12.55
80	73½	Alcan 10½pc '89-94	75xd	......	14.00	14.80
28½	25	Met. Wtr. 3pc 'B'	27¼	......	11.14	13.19
103	89	U.S.M.C. 9pc 1982	103	......	8.75	—
92	85½	Do. without Warrants	92	+1	9.83	16.00

LOANS—Continued

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
£76½	£56	Algemene Fl.100	£63	......	Q25%	1.9	8.0	6.7
365	290	Allen Harvey £1	345	+10	21.5	—	8.9	—
128	96	Allied Irish	100xd	+4	Q8.93	—	8.6	—
17	13	Ansbacher (H.) 5p.	14½xd	−¼	0.15	—	1.5	—
235	180	Arbuthnot L. £1	216	−1	†10.42	—	6.9	—
360	283½	Bk. Ireland £1	285xd	......	Q23.51	—	8.0	—
£162	£134	Do. 10pc Conv.	£134	......	Q10%	—	†7.0	—
*8	5	Bk. Leumi $0.1	6	......	q011.4%	—	1.9	—
120	100	Bk. Leumi (UK) £1	120	......	8.57	—	10.7	—
178	135	Bk. N.S.W. $A1	140	+4	Q16c	φ	6.0	φ
305	235	Bank Scotland £1	250	+2	15.0	5.1	8.6	3.2
£21	£16¼	Bankers N.Y. $10	£20¾	......	Q$3.30	—	7.3	—

BANKS & HP—Continued

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[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

[illegible]

Tins

[illegible]

Copper

236	130	Messina R0.50	175	-5	[illegible]10c	ϕ	3.3

Miscellaneous

170	78½	Anglo-Dominion	162	+23	—	—	—
97	56	Barymin	57	-3	—	—	—
17	12	Burma Mines 10p	16½	......	0.62	1.1	5.4
502	320	Cons. Murch. 10c.	328	-18	[illegible]10c	1.8	18.6
535	325	Northgate C$1	410	+10	—	—	—
465	327	R.T.Z.	393	-1	15.0	3.2	5.5
33	16	Robert Mines	23	......	—	—	—
58	26	Sabina Inds. C$1	31	-1	—	—	—
650	411	Tara Exptn. $1	450	+10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- § Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ☆ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	29	......
Bertam	17	......
Bdg'wtr. Est. 50p	410	......
Clover Croft	[illegible]	......
Craig & Rose £1	£101½	......
Fife Forge	[illegible]	......
Finlay Pkg. 5p	13	......
Graig Ship. £1	£14½	......
Higsons Brew	73	......
Holt (Jos) 25p	250	......
I.O.M. Stm. £1	160	......
Pearce (C. H.)	455	......
Peel Mills	40	......
Sheff. Refrshmt.	103	......
Sindall (Wm.)	142xd	......

IRISH

Conv. 9% '80/82	£88⅝	+⅛
Nat. 9¾% 84/89	£78½	+⅛
Fin. 13% 97/02	£87	+1
Alliance Gas	45	......
Arnott	360	......
Carroll (P.J.)	51	+1
Clondalkin	116	+1
Concrete Prods.	75	......
Helton (Hldgs.)	34	......
Ins. Corp.	245	......
Irish Ropes	55	......
Jacob	35	......
T.M.G.	90	......
Unidare	95	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	7	I.C.I.	27	Utd. Drapery	6½
BOC Intl.	6	"Imps"	6½	Vickers	12
B.S.R.	4½	I.C.L.	14	Woolworths	5½
Babcock	8	Inveresk	4		
Barclays Bank	34	Ladbroke	15	Property	
Beecham	10	Legal & Gen.	15	Brit. Land	7
Blue Circle	25	Lex Service	8	Cap. Counties	9
Boots	16	Lloyds Bank	24	Land Secs.	24
Bowaters	15	"Lofs"	3½	MEPC	17
B.A.T.	20	London Brick	6	Peachey	13
Brown (J.)	6	Lucas Inds.	[illegible]	[illegible] Props.	12
Burton 'A'	10	"Mams"	7	[illegible] & City	2
Cadburys	5½	Mrks. & Spncr	3		
Courtaulds	8	Midland Bank	25	Oils	
Debenhams	8	N.E.I.	5	Brit. Petroleum	32
Distillers	17	Nat. West. Bank	27	Burmah Oil	20
Dunlop	7½	P & O Dfd.	10	Charterhall	10
Eagle Star	15	Plessey	14	KCA	11
F.N.F.C.	2¼	Racal Elect.	22	Premier	13
Gen. Accident	21	R.H.M.	4½	Shell	35
Gen. Electric	29	Rank Org.	15	Tricentrol	40
Glaxo	18	Reed Intnl.	16	Ultramar	35
Grand Met.	12	Sears	5		
G.U.S. 'A'	34	Tesco	6	Mines	
Guardian	23	Thorn	23	Charter Cons.	14
G.K.N.	20	Trust Houses	12	Cons. Gold	40
Hawker Sidd.	15	Tube Invest.	23	Lonrho	8
House of Fraser	15	Unilever	40	Rio T. Zinc	35
		U.D.T.	5½		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 38

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES

Wednesday June 11 1980

Sharp drop in West German orders

BY ROGER BOYES IN BONN

NEW ORDERS booked by West German manufacturing industry fell dramatically in April, indicating that the long-awaited slowdown in the country's economy may have begun.

Economics Ministry figures released yesterday show that orders awarded to industry fell by a seasonally adjusted 4.5 per cent compared to March, the first drop in several months and the largest month-on-month fall for almost five years.

Earlier figures showed that production also fell significantly during April.

The Government was expecting slower growth this year—some 3.5 per cent compared to 4.5 per cent last year—but the order and production figures for the first quarter showed that the 1979 upswing was still having an effect.

The April figures—although due in part to the negative effect of the Easter holidays—suggest this upswing is coming to an end.

The IFO economic research institute, in a recent survey of business opinion, voiced West German industrialists' concern at the state of April order books and gave a very pessimistic picture of business expectations over the next six months.

The latest figures show that a weakening of domestic demand is at the root of the overall decline. Domestic orders fell by 7 per cent in real terms against March, while orders from overseas fell by only 1 per cent.

All the major sectors of manufacturing industry were involved. The consumer goods sector, where demand had been lively in the first quarter, saw a drop of 5.5 per cent in real terms in April compared with March.

Although demand was strong in the electrical engineering and machine construction sectors, demand in the capital goods sector as a whole fell by 3 per cent in real terms.

Demand for capital goods had been one of the main factors behind the upswing over the past six months because of a generally good investment climate and a high demand for modernising and energy saving technology.

This latest drop in orders reflects above all the decline in the German motor boom.

It is clear that the present month-to-month fall is far greater than any since 1975, even including Easter months.

The fall seems the more dramatic because it contrasts with extremely high order levels over the past year.

Many sectors also saw demand fall off in May as well. The motor, steel and even the chemicals industry have all reported drops in domestic order levels.

But in absolute terms, West Germany's order books still remain among the fullest in Europe.

Use of lockout endorsed, Page 2
Spending plans reduced, Page 3
State of the coalition Government, Page 22

Ennia in UK share placement

By Charles Batchelor in Amsterdam

ENNIA, the third largest Dutch insurance group, has placed a large number of new shares in the UK. The move is likely to be followed by other Dutch insurers in the next few months.

Ennia has arranged a private placement of 270,000 ordinary shares of Fl 20 at an issue price similar to the Amsterdam stock exchange price of Fl 140. This values the issue at about Fl 38m (£8.4m) and increases Ennia's nominal capital by 10 per cent.

About 200,000 of the shares have been placed in the UK and will be listed on the London Stock Exchange, while 70,000 are being taken up by international banks supporting the placing.

The UK issue, represented by bearer depository receipts, has been placed with investors as long-term investments and is in line with Ennia's policy to spread its share capital internationally.

It has been underwritten and placed by J. Henry Schroder Wagg and Company, the UK merchant bank, and Amsterdam-Rotterdam Bank, in association with Algemene Bank Nederland, Deutsche Bank, Morgan Stanley International and Swiss Bank Corporation Overseas.

The funds will finance Ennia's continued international expansion. For the past year or so the company has been talking with potential takeover prospects in the UK, U.S. and elsewhere.

It has lagged behind the other Dutch insurance companies, which have been acquiring foreign companies rapidly in recent years. Earlier this month, Ennia announced plans to take 80 per cent in a small Spanish company, Seguros Galicia.

Weather

UK TODAY

ALL PARTS will have showers. Some sunny intervals.

London, Cen. S., S.W. Eng., E., W., Midlands, Channel Isles, S. Wales
Bright intervals, scattered showers. Max. 20C (68F).

N.E., S.E., E. Eng., E. Anglia
Cloudy. Scattered showers. Max. 18C (64F).

Cen. N., N.W. Eng., N. Wales, Lake District, Isle of Man
Bright intervals and showers. Max. 19C (66F).

S.W., N.W. Scotland, Borders, Edinburgh, Dundee, Aberdeen, Glasgow, Argyll, Cen. Highlands
Few bright intervals, showers, coastal fog. Max. 15C (59F).

Aberdeen, Moray Firth, N.E. Scotland, Orkney, Shetland
Mostly dry. Cloudy. Max. 13C (55F).

Outlook: Continuing settled. Becoming warmer in South.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	18	64	Lisbon	F	23	73
Algiers	S	28	82	Locarno	C	16	61
Amsdm.	C	20	68	London	R	17	63
Athens	S	27	81	Luxmbg.	R	16	61
Bahrain	S	34	93	Luxor	S	40	104
Barclna.	F	20	68	Madrid	S	22	72
Beirut	S	27	81	Majorca	S	24	75
Belfast	R	13	55	Malaga	S	27	81
Belgrd.	F	25	77	Malta	S	21	70
Berlin	F	27	81	Mchstr.	C	15	59
Biarritz	C	16	61	Melbne.	C	13	55
Bmghm.	C	16	61	Milan	R	19	66
Blackp'l	R	13	55	M'ntreal	S	9	48
Bordx.	C	16	61	Moscow	F	30	86
Boulgn.	R	15	59	Munich	C	18	64
Bristol	F	18	64	Nairobi	S	23	73
Brussels	F	19	66	Naples	F	23	73
Budpst.	R	19	66	Nwcstl.	F	16	61
B. Aires	C	15	60	N. York	C	16	61
Cairo	S	34	93	Nice	C	18	64
Cardiff	C	15	59	Oporto	C	17	63
Casbca.	F	21	70	Oslo	S	25	77
Cape T.	C	15	59	Paris	C	19	66
Chicago	S	11	52	Perth	C	14	57
Cologne	R	17	63	Prague	F	20	68
Conhgn.	C	25	77	Reykjvk.	C	9	48
Corfu	R	24	76	Rhodes	S	28	82
Dublin	C	16	61	Rio J'o	S	26	79
Dbrvnk.	C	22	72	Rome	R	21	70
Ednbgh.	C	15	59	Salzb'rg	F	21	70
Faro	F	22	72	Singapr.	S	30	87
Frankf't	C	18	64	Stckhm.	F	25	77
Funchal	C	22	72	Strasb'g	R	16	61
Geneva	R	16	61	Sydney	S	18	64
Gibrltr.	S	23	73	Tangier	F	21	70
Glasgow	C	16	61	Tehran	S	27	80
G'nsey	C	14	57	Tel Aviv	S	25	77
Helsinki	S	25	77	Tenerife	F	19	66
H. Kong	S	30	86	Tokyo	C	26	79
Innsbr'k	C	22	72	Toronto	C	8	46
Invrnss	C	15	59	Tunis	S	26	79
I.o.Man.	R	12	54	Valencia	S	26	79
Istanbul	S	25	77	Venice	F	19	66
Jersey	C	16	61	Vienna	F	23	73
Jo'burg	S	18	64	Warsaw	F	25	77
L. Plms.	F	22	72	Zurich	C	15	59

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Government-industry links urged

BY ROBIN PAULEY

A NEW Government effort to encourage commerce and industry to take more part in central and local government decision making was announced yesterday by Mr. Michael Heseltine, Environment Secretary.

He will ask industrialists, traders and local government representatives to form 'joint committees in 30 to 40 towns and cities, yet to be named, as soon as possible.

"It is vital that those creating wealth in this country should play a part in local decision making. We must pursue every avenue to reverse the drift away from partnership between local governments and the local business community," he told the annual lunch of the London Chamber of Commerce and Industry.

During the next six months representatives of industry and commerce in those towns would devise ways to contribute to local and central authority decision takings.

Mr. Heseltine denied the proposal was an empty gesture. "As I am establishing the initiative I will obviously listen to what the private sector people say. I want the views of industry and commerce to influence decision making," he said.

Topics be had in mind for private sector comments included use of land, planning procedures, enterprise zones, urban development corporations, the urban programme and the development of the Enterprise Trust movement.

"I have responsibility, for example, for spending £200m a year in the inner cities through the urban programme. The opportunities are obvious but are we getting the mix right?" he asked.

"No solution can sensibly ignore the advice of the private sector," he added.

Mr. Heseltine said his idea was backed by Sir Keith Joseph, Industry Secretary, the Association of British Chambers of Commerce and the Confederation of British Industry.

The new working groups would often be based on the towns' chambers of commerce but were not all equally strong.

"Too many chambers have seen their role as representing the lowest common denominator of detailed criticisms. They have failed to claim for themselves a clear and respected public posture in the widest economic and social interests of their members," Mr. Heseltine said.

"The private sector must realise that unless it is prepared o take on a much more assertive, positive and self-questioning role no government acting alone can bring about the scale of change the country needs, Mr Heseltine said.

As the state withdrew on a wide front the danger was that the vacuum would be filled by pressure groups "least interested in securing the objectives for which the vacuum was created in the first place."

He said: "Already they seek to outbid each other with their stories about the hardship bought about by spending cuts.

"They are blind to the inevitable results of the spending policies they cry for—more spending, more borrowing, higher interest rates, further contraction of the wealth-creating private sector the loss of jobs, a shrinking tax base, and the even larger cuts in the services that will in due course be needed."

Ford 'heading for trouble' over talks on shorter working time

BY PHILIP BASSETT, LABOUR STAFF

FORD MOTOR is heading for major trouble over negotiations with unions representing its 59,000 manual workers on the introduction of shorter working time, it was said yesterday.

As part of its 21.5 per cent pay deal last year for manual workers, Ford gave a commitment to seek ways of reducing working time. The aim is to bringin any new system on this year's anniversary, November 1.

However, Mr. Gavin Laird, an executive member of the Amalgamated Union of Engineering Workers, said yesterday that the talks had run into serious difficulties. He said: "Unless Ford becomes more positive in its approach then it could have major trouble on its hands on this issue."

In a series of talks with unions, Ford offered five extra days off, known as personal vacation days, to be spread throughout the year, as a way of reducing hours while maintaining operational capacity.

In return, the company is seeking a commitment from the unions to accept double day shift or "back-to-back" shift working. It feels this is required particularly in the body assembly shops at Halewood and Dagenham.

Remain

The offer, applying to employees with more than 12 months' service, has run into difficulties because it requires employees to be on plant premises for 8½ hours every day for five days rather than the present eight hours.

It also requires employees who traditionally finish work early on Fridays to remain at work until much later, and involves a reorganisation of tea breaks.

The two sides are due to meet again on the issue on July 7. Before then it may be resolved from the unions' point of view by shopfloor meetings, at which the Transport and General Workers' Union is recommending rejection of the deal. Mr. Laird said AUEW shop stewards were also opposed to it.

Mr. Laird said the proposals were "completely unacceptable" to the AUEW executive. Mr. Eric Bone, TGWU national officer, said the unions had been misled on the question of shorter working time.

● The AUEW said yesterday that eight candidates had declared themselves for the elections for the post of AUEW president. It is felt that the only serious contenders for Mr. Terry Duffy's post are Mr. Bob Wright, the Left-wing assistant general secretary, and Mr. Roy Fraser, the Midlands' toolroom workers' leader.

Scargill opens NUM presidency campaign

By Christian Tyler, Labour Editor

MR. ARTHUR SCARGILL, militant leader of the Yorkshire miners, has opened his campaign to capture the presidency of the National Union of Mineworkers for the Left.

Officially the contest has not even been declared. Mr. Joe Gormley, the president, is 63 next month and has two years to run. He has not so far this year suggested, as he has twice before, that he will retire early.

The moderate majority on the NUM executive has not yet chosen its candidate to fight off the strong challenge of Marxist Mr. Scargill.

The Left has decided to make an early start to anticipate any sudden announcement from Mr. Gormley.

However, Mr. Scargill and his supporters are confident. They calculate that the Socialist message of the Yorkshire president is increasingly in tune with the mood of the 240,000 miners and that rank-and-file distrust of Mrs. Thatcher's Government will add further weight to their campaign.

Endorsement for Mr. Scargill has come from leaders in Scotland, South Wales, Kent, and North Derbyshire. Some parts of the Durham coalfields and one or two branches in the big and traditionally moderate Nottinghamshire coalfield are also backing him.

Challenge

Mr. Michael McGahey, Communist president of the Scottish miners, and his area executive have thrown their full weight behind Mr. Scargill, who will be addressing the Scottish miners conference in Rothesay, Isle of Bute, today. Mr. McGahey cannot stand because of a recent rule change disqualifying candidates over 55.

Mr. Scargill, who has been introduced to many pit officials in Scotland recently as "the next president of the NUM," could be on the hustings for 18 months if, as now seems likely, Mr. Gormley goes the full distance.

The Right-wing challenge is expected to come from Mr. Trevor Bell, a Yorkshire miner, former head of industrial relations for the union and now secretary of its white-collar section, COSA, or from the inexperienced and little-known Mr. Ray Chadburn, the new Nottinghamshire president.

Neither has publicly declared himself but Mr. Bell could be the stronger choice for the moderates.

Mr. Scargill's standing in the trade union movement will be tested by elections for the TUC General Council at the annual Congress in September. He is one of the NUM nominees in place of Mr. Gormley, who is standing down.

If Mr. Scargill's long campaign is successful he will become the first Left-wing president of the national union.

Continues from Page 1

Government borrowing

Treasury figures published yesterday.

Although the May nominal figure of £2.25bn is the biggest ever, in real terms—allowing for inflation—it is lower than the £1.63bn recorded in December, 1975, at the end of the Labour Government's spending boom.

The big increase in borrowing—which was one of the reasons for the higher money supply growth figures for May, also reported yesterday, was caused largely by a 25 per cent jump in Consolidated Fund expenditure compared with May 1979. That rose to £6.19bn last month, taking the total in the first two months of the financial year to 31 per cent above the level a year ago. This is well above the 20 per cent increase for the financial year as a whole, forecast in the Budget.

Expenditure on supply services, the main component of central government spending, went up by 27 per cent compared with May last year.

Part of the rise was due to a civil servants' wage increase paid out last month. Additionally, Whitehall officials suggest that some government departments may have drawn more funds than actually needed from the Treasury last month to build up their balances at the start of the new financial year.

Central government revenue was relatively restrained. Consolidated Fund income increased by only 2 per cent last month compared with May 1979, to a total of £3.99bn.

Customs and Excise payments rose by 19 per cent, but Inland Revenue receipts fell last month compared with the May 1979 total. That was largely because of the lack of petroleum revenue tax (PRT) payments last month.

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Monetary growth

in trend in the rate of growth of bank lending.

There have been reports in the last week or two of some loans, as companies reduce easing in demand for bank loans, as companies reduce stock levels. This evidence is still tentative.

The main indicator published yesterday was for eligible liabilities, a large component of sterling M3. This rose by 1.7 per cent to £55.22bn. The difference between this and the 2 per cent implied rise in sterling M3 is explained by seasonal factors and by a further large rise in overseas residents sterling deposits. This offset various discount market transactions which were tending to boost the money supply.

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OPEC near to deal

of the long-term strategy committee there would be quarterly increases in the price of oil according to indices based on inflation, currency fluctuations and real growth in the industrialised economies.

OPEC experts agree that surplus output is currently anything from 1-2m barrels a day out of a total for the 13 members of about 28m b/d.

Iraq has stated its willingness to share in a general production cutback in support of higher price levels. But at the first closed session on Monday night Mr. Tayeh Abdel-Karim, the Iraqi Oil Minister, came under ferocious attack from Mr. Moinfar.

In a heated session Mr. Moinfar accused Iraq of stealing Iran's market outlets. Sheikh Yamani was absent on his trip to Rabat and so was not exposed to similar bombardments.

Mr. Moinfar has also vehemently denied reports that Iran has been trying to trim the prices demand by it since the beginning of April.

The ebullient Iranian chief delegate has also demanded that OPEC production should be slashed to 26.5m b/d, claiming that this was the average level in 1978. Actual OPEC statistics show the lowest point that year to have been 26.7m b/d. The average for the 12 months was 29.8m b/d.

Despite the relative inelasticity in the price of oil in the face of lower demand, all members believe that supply levels and prices are integrally connected. Crucial, of course, is whether Saudi Arabia will maintain its present upper limit of 9.5m b/d.

Sheikh Ali Khalifa al Sabah of Kuwait suggested yesterday that there would be no softening of the market of the kind predicted by Sheikh Yamani, who has predicted a "collapse" in prices, because President Carter could not allow the recession to bite any deeper in the U.S.

Underlying the struggle to reach some sort of compromise on the realignment of prices is a fair deal of confusion about the nature of the market and the influence of the forces active on it.

Midlands plant

THE WEST MIDLANDS company Mansill Booth of Cape Hill is to make 61 workers redundant and introduce short-time working for another 329 at its Smethwick factory.

THE LEX COLUMN

Grand Met's pause for digestion

Grand Metropolitan's finance men have returned reasonably pleased with their first examination of Liggett's books, and the group is going to take its time before going ahead with any asset sales—for instance of the tobacco side. The first step will be a revaluation of Liggett's assets in time for the group's September year-end, and Allied Breweries, Grand Met will also be sending the surveyors around its UK properties. The hoped for result is that the September balance sheet will be able to absorb some $475m of net debt incurred on the Liggett purchase without much damage being done o he overall gearing raios.

Meanwhile the half-time figures for Grand Met are satisfactorily ahead of market expectations, showing a 21 per cent rise in group pre-tax profits to £61.2m. A good advance has been achieved in wines and spirits despite the setback in the U.S. whisky trade. Betting and gaming has also contributed an important rise, though more because of a recovery in horserace betting hit by the weather in 1979) than of casino customers diverted from Ladbroke establishments. The food side has made fair progress, but brewing has been held back by difficulties overseas and in soft drinks, while the hotels and catering division could achieve only a marginal improvement in the face of weak consumer demand in the KU.

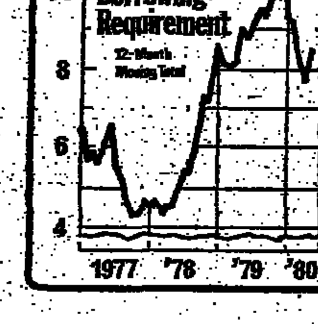
The recession clearly poses a threat to the second half, when hotels, catering and brewing are seasonally more important. All the same, Grand Met should get near to £160m for the full year, against £136m. This would be without counting a modest contribution, net of interest, from Liggett for four months.

Earnings growth per share will be diluted somewhat by last year's rights issue, but the fully taxed prospective p/e looks to be a reasonable 10 or so at 142.

Banking figures

The gilt-edged market was well prepared for a rise in public borrowing in May, but was hoping that it would be largely offset by a fall in private sector credit demand. Unfortunately, the public sector's appetite for spending has greatly exceeded the private sector's capacity for retrenchment; the result is that sterling M3 has grown by 2 per cent in banking May, and hopes of an immediate fall in interest rates are dashed once again. The medium tap stock remains a formidable obstacle to any short-term advance in gilt-edged.

Index rose 5.9 to 440.3



It is no wonder, though, that money market rates have been falling given that public expenditure in calendar May was nearly a quarter higher in May 1979. The tax take was little changed from one year to another (since petroleum revenue tax is no longer collected in May, for one thing), but businesses have needed to borrow quite heavily nevertheless. Overall, the failure to bring public spending under control, which was to some extent masked by large revenues in the first quarter of 1980, looks set to displace bank lending as the villain of the monetary piece.

The signs are that private sector credit demand has abated in banking June, partly because of the continuing large Exchequer deficit, but also because companies have had some success in cutting stocks and trimming capital programmes. The clearing bank figures disclose sharp differences in borrowing patterns between industrial sectors in the three months to May: while the engineering and textile industries had apparently completed their financial adjustment, the food industry and the retail sector were still borrowing heavily, presumably to finance unwanted stocks.

Allied Breweries

A poor performance in beer has been counterbalanced by better results in the food and wines and spirits divisions at Allied Breweries to produce pre-tax profits of £113.1m for the year. Adjusting for the 53 weeks of the previous year, this represents a rise of nearly 5 per cent. But the difficulties of the brewing division are highlighted by the fact that, once the surpluses on property disposals are stripped out, profits are now below those of the wines and spirits division, and margins barely higher.

The Warrington brewery strike has straddled the last two years, hitting profits to the tune of £5m in the first and £6m in the second. But the after-effects have contributed to a drop in volume of about ¼ per cent last year and have lost the company market share which it is only now recovering. At the same time the Dutch business has turned round from £3m profits to £1¼m loss, forcing the company to plan a cutback in this market.

The former Lyons business is looking much healthier, helped by the meat business disposals in September. Underlying volumes have moved up a couple of percentage points, while profits have risen by 60 per cent or so, leaving aside the property disposals. Margins have been widened in the wines and spirits division, where profits have increased by 18 per cent on a comparable 52-week year.

The property revaluation of £253m has done wonders for gearing: unchanged net debt of a little above £420m is now a third of capital employed against nearly half previously. While a judicious shift of debt in the autumn out of overdrafts into terms of six months or more has been the key factor holding down the rise in finance charges, there will be little immediate benefit to profitability should interest rates drop. So profits are likely to emerge in the region of £125m in the current year, for a prospective p/e of about 9, fully-taxed. The historic yield is 9 per cent.

Ennia

Although £6m—roughly the amount raised in London yesterday by Ennia through a placing of 200,000 shares—is not a large sum, it gives an important indication of the way in which foreigners are eyeing the resources of the UK financial institutions. It will be desirable, however, to streamline such operations in future—the large number of banks involved yesterday appears to reflect Euromarket politics rather than the requirements of a London share placing. In fact most of the actual placing appears to have been done by brokers W. Greenwell, the activity of Schroders being confined to in-house funds and a few closely connected institutions.

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